

Table with subscription rates for various countries including Australia, Canada, Europe, Japan, etc.

The Global Newspaper Edited and Published in Paris

No. 32,380 14/87

LONDON, THURSDAY, APRIL 2, 1987

ESTABLISHED 1887

Moscow, Israel Set Exchange

Visits Are Seen As Step Toward Renewal of Ties



A Soviet guard outside the U.S. Embassy in Moscow.

TEL AVIV — Israel said Wednesday that it had agreed to exchange official visits with the Soviet Union...

There is certainly a Soviet interest in renewing relations with Israel, but Israel also has an interest that the Israeli flag be planted soon in Moscow...

Soviet officials offered no immediate comment, but foreign diplomats in Moscow said it was unlikely the Kremlin would agree to an exchange of visits unless Israel moved toward accepting an international Middle East peace conference.

U.S. Now Said to Doubt All Its Codes in Moscow

WASHINGTON — State Department sources Wednesday described a "worst-case scenario" report that a suspected Marine Corps spy ring at the U.S. Embassy in Moscow allowed the Soviet Union to intercept and read virtually all coded embassy messages to Washington for as long as a year.

The Los Angeles Times also reported that Soviet agents used access to embassy offices given them by the Marine guards to learn the identities of every Soviet contact for U.S. intelligence agents in the Soviet capital during the period in question — from January to March of last year.

Communications in Doubt U.S. communications from the U.S. Embassy in Moscow are not secure, the Los Angeles Times reported Wednesday from Washington, quoting a source who asked not to be identified.

It had been believed that Mr. Howard's disclosures led the Soviets to execute at least one American contact in Moscow.

Chirac Assured On U.S. Policy

WASHINGTON (WP) — Prime Minister Jacques Chirac of France said Wednesday that his meetings here convinced him that the need to safeguard European security in any U.S.-Soviet arms pact was "very much on the minds" of President Ronald Reagan and other U.S. officials.

Kiosk

Now scientists agree: Cigarette smoking is harder to give up than heroin. Page 7. GENERAL NEWS Solidarity urged a strike over Poland's announced price increases. Page 2. Despite the New Jersey court ruling on Baby M, surrogate motherhood contracts are still in a legal limbo. Page 3. The Soviet Union has asked the West to cooperate against international terrorism. Page 2. Prime Minister Bob Hawke ruled out early elections in Australia, saying they would set back economic recovery. Page 5. BUSINESS/FINANCE Major U.S. banks joined Citibank in raising their prime rate to 7.75 percent. Page 11. IBM prepares to introduce the "clone killers." Page 11.



The pope is escorted by President Julio Maria Sanguinetti after his arrival in Montevideo.

Pope Calls Chile Regime 'Dictatorial,' Backs a Strong Church Role on Rights

By Roberto Suro New York Times Service MONTEVIDEO — Pope John Paul II has bluntly labeled the Chilean government of President Augusto Pinochet "dictatorial" and insisted that the Roman Catholic Church must struggle to bring democracy to Chile.

In Chile, as in the Philippines before President Ferdinand E. Marcos's overthrow last year, the church has forcefully denounced human rights violations and limitations on political freedoms by the government.

By Philip Taubman New York Times Service MOSCOW — Mikhail S. Gorbachev's wife, Raisa, and her Western wardrobe are the subjects of a critical underground videotape circulating in Moscow, according to Muscovites who have seen the film.

Videotape Attacks Mrs. Gorbachev

Some of the footage, according to people who have seen the film, looks as though it was taken by a hidden camera, prompting suggestions here that the tape was made by either Western intelligence services or the KGB, the Soviet security agency.

Facing a Rising Tide of Refugees, Western Europe Bails Out as Haven

By Peter Maass International Herald Tribune BRAINE-LE-COMTE, Belgium — Ramin, a 20-year-old Iranian seeking political asylum in Belgium, timidly rolls up a sleeve of the borrowed sweater he is wearing. He points to a fresh scar that stretches across his left wrist, the jagged mark of a failed suicide attempt.

Swiss Debate Whether 'Lifeboat' for Exiles Is Really Full

By Thomas Netter International Herald Tribune GENEVA — Amid a rising tide of Third-World refugees, the Swiss began voting Monday in a nationwide referendum on government plans for more restrictive refugee policies that have provoked a passionate, often bitter debate over whether the refugee "lifeboat" is really full.

Britain Warns Japan on Trade; Talks Set in U.S.

By Warren Gledler International Herald Tribune LONDON — Japan's ambassador in Britain was summoned Wednesday to the Department of Trade and Industry and warned that the British government is considering retaliating against what it considers to be unfair Japanese trade practices.

Measures being considered include the barring of Japanese banks and securities firms from Britain's lucrative securities markets, one British official said.

According to a senior embassy source, Ambassador Toshio Yamazaki was told by Paul Channon, the trade and industry minister, that Britain was "gravely concerned" about British-Japanese relations.

Mr. Channon, the source said, told the Japanese envoy that he wanted to see a "prompt" resolution of a telecommunications dispute involving Cable & Wireless PLC, a British company attempting to set up a joint venture in Japan, and to see greater liberalization of the Japanese financial markets.

The British warning was issued against a backdrop of increasing tensions between Japan and its principal trading partners, primarily the United States. In one illustration of the growing intensity of the dispute, a senior U.S. senator, Patrick J. Leahy, accused Japan on Wednesday of "lying and cheating" in its trade relations.

The Japanese, not to put too fine a point on it, have lied, cheated and otherwise misused tariff legislation, theirs and ours," the Vermont Democrat said in a speech to the National Cattlemen's Association.

In an attempt to defuse the issue, a Japanese delegation arrived in Washington on Wednesday to prepare the way for emergency talks there on a dispute over trade in semiconductor chips, in which Japan faces new U.S. duties totaling \$300 million.

Japan's former foreign minister, Shintaro Abe, also will go to Washington this month in an attempt to smooth things over. He will be followed by Prime Minister Yasuhiro Nakasone, who is to visit President Ronald Reagan on April 30.

While this weekend's talks are aimed at defusing the wider trade crisis between the two nations, U.S. officials have said it was unlikely that the proposed sanctions would be suspended.

Commerce Secretary Malcolm A. Baldrige said Tuesday that there would be "no last-minute reprieve" from the tariffs.

That doesn't mean that you couldn't come to some resolution," B. Jay Cooper, a spokesman for Mr. Baldrige, said Wednesday.

Meanwhile, a British trade official said that a "full range" of retaliatory options against Japan would be presented to Prime Minister Margaret Thatcher at a cabinet meeting on Thursday after Japan's refusal to allow Cable & Wireless a larger role in a consortium seeking

See POPE, Page 6 See CHIPS, Page 15

Reagan Veto On Highways Is Sustained

United Press International WASHINGTON — The Senate voted Wednesday to sustain President Ronald Reagan's veto of an \$88 billion highway bill, the veto and the attempt to override it were seen as a major test of the president's power.

The chamber's Democratic leadership, however, moved for reconsideration of the measure, raising the possibility of a second vote.

The Senate vote was 65-35, two votes short of the two-thirds margin needed to override the presidential action. The House voted 350-73, Tuesday to override the veto.

Senator Terry Sanford of North Carolina, the only Democrat to vote against the highway bill last month, was the crucial figure in a confusing sequence of events that surrounded Wednesday's tally.

At first he voted "present," a move that left the count at 66-33 in favor of the override. But moments later, Mr. Sanford switched his vote to "no."

The Senate's parliamentary announced later that if Mr. Sanford had left his vote as "present," the override would have been successful at 66-33.

As it became clear that Mr. Reagan had won, the Democratic leader, Robert C. Byrd of West Virginia, changed his vote to "no" in a procedural maneuver that enabled him to move that the vote be reconsidered. Senators must be on the prevailing side to move for reconsideration.

The Senate then began debate on the motion to reconsider. It was not clear how soon, or even whether, a second vote would be taken.

"In my view it's over," said the Senate Republican leader, Bob Dole, of Kansas. "We won fair and square."

President Reagan, who was leaving Washington after the vote for a trip to Philadelphia, raised his hands in a victory salute. He said the news "sounded good. I don't know what may happen with the procedure that is going on now. I'm very pleased, but it still isn't final."

Over the next five years, the \$88 billion highway measure would have financed more than 120 local projects in the 50 states. It also included money for mass-transit projects.

Mr. Reagan opposed the bill on the ground that it was a "budget-buster" and "pork-barrel legislation" designed to benefit the districts of prominent congressmen.

He said he would submit an alternative that would eliminate at least \$10 billion in expenditures while retaining a provision in the defeated bill that would raise the speed limit on rural stretches of road.



Raisa Maximovna Gorbachev at the U.S.-Soviet summit meeting in Reykjavik in October.

Soviet Union Asks West to Cooperate Against Terrorism

By Paul Lewis
New York Times Service

PARIS — The Soviet Union has asked several Western governments to cooperate with it in fighting international terrorism and has suggested that they negotiate extradition treaties providing for the return of terrorist suspects, according to French and other diplomats.

Over the last few weeks, these sources said, the Soviet Union has made such proposals to France, Britain, West Germany and most other major Western countries. The United States reportedly has not been approached directly but has been told about the Soviet moves both by the Soviet authorities and by Western allies.

On each occasion Soviet officials have stressed that Mikhail S. Gorbachev's government is strongly opposed to terrorism and to any government that supports it.

On several occasions, the Soviet officials have suggested negotiating extradition treaties that would oblige a country to return citizens of the other country wanted for terrorist offenses, although what the Soviet government perceives as terrorism may not coincide with the views of other nations.

Western diplomats pointed out, for example, that the Kremlin offi-

cially regards the anti-Soviet Afghan guerrillas as terrorists.

The diplomats said this is the first time the Soviet Union has begun what appears to be a concerted diplomatic campaign to convince Western governments that it disapproves of terrorism and is ready to cooperate in combating it.

Western governments have responded cautiously to the Soviet overtures so far, officials in Paris report, saying they want concrete evidence that Moscow has changed its attitude toward terrorist movements. The United States has frequently accused the Soviet Union and its close allies of assisting terrorist groups in the past.

Western diplomats also feared that the Soviet authorities might try to use extradition treaties with the West to seek the return of dissidents who have gone to the West and other opponents of the Soviet government.

As a result, several Western governments have told the Soviet Union to demonstrate its sincerity by using its influence with Colonel Moammar Gadhafi, the Libyan leader, to curb his country's reported support for terrorists.

France has also asked the Russians to use their influence with Syria to bring about the release of French hostages believed held by Moslem militants in Syrian-controlled areas of Lebanon.

So far, Western officials said they have had no positive response from the Soviet Union on either Libya or Syria.

Soviet citizens abroad have not been immune to terrorism. Four Soviet diplomats were abducted in Lebanon in October 1985. One was killed and the others eventually were freed.

The Soviet campaign has not been confined to Western governments. At a private meeting in Rome on March 11 and 12, Vladimir P. Suslov, head of the Second European Department of the Soviet Foreign Ministry, told a group of former ministers of both industrial and developing countries that the Soviet Union is firmly opposed to terrorism and to those who support terrorism, according to participants.

Mr. Suslov spoke at a meeting of the policy board of the Inter-Action Council, a body of retired officials led by former Chancellor Helmut Schmidt of West Germany. The group meets regularly to review international affairs and make recommendations to world leaders.

The policy board was preparing for the next meeting of the council, to be held in Kuala Lumpur, Malaysia, late this month, when the 30 members of the council are to discuss international terrorism.

Irish Budget Asks Severe Cuts in Public Spending

Reuters

DUBLIN — Ireland's new minority government has introduced an austerity budget that cut public spending across the board.

Faced with a national debt that has doubled in the past four years, Finance Minister Ray MacSharry warned: "Conditions are extremely difficult and there is no room for soft options."

The budget was presented to parliament Tuesday just three weeks after the leader of the Fianna Fail party, Charles Haughey, scraped back into power after failing to win an overall majority in last month's general election.

The election was called because four Labor Party ministers walked out of their coalition government with the Fine Gael party to protest proposed budget cuts.

Mr. MacSharry offered even tougher economic measures in his budget, with public spending cuts of more than 300 million Irish pounds (\$443 million). He imposed a wage freeze on civil servants, insisting that any new public service jobs had to be cleared by him.



PRIESTS PROTEST — Greek Orthodox priests and supporters chanted slogans during a demonstration on Wednesday in Athens against a government bill to allow

the state to seize control of about 370,000 acres of church land valued at \$19 million. The government says that it will distribute the land to poor farmers.

Solidarity Calls for 'Decisive' Strike on Increases

United Press International

WARSAW — The steering committee of the outlawed Solidarity trade union called on workers Wednesday for a "decisive" strike against the latest price increases in Poland.

"We are calling upon all factory branch organizations of the union, union members and all working people for a decisive strike," said a statement released by Solidarity's "temporary coordinating committee," whose chairman is Lech Walesa, the Nobel Peace Prize laureate.

The committee is made up of Solidarity representatives, some of them underground leaders, representing 11 regions in the country.

The statement, dated March 31, did not suggest when workers should go on strike.

"It is necessary to say 'enough' to the committee statement said. The strikers ought to start with a demand for immediate compensation for the price increases. At the same time, we are demanding a constant inflation bonus to make wage increases proportional to increased living costs."

The statement called on union branches to coordinate the strike, provide assistance to workers who

go on strike and ensure public opinion is kept informed.

It said it had decided to call for a strike "in order to safeguard the standard of living of Polish families" and to protest price increases as the mainstay of economic reform.

The price increases announced by the state-run news media over the weekend were described by the government as an "economic necessity." Staple food prices were raised on Sunday by amounts ranging from 10 to 25 percent.

The increases also include higher

prices for fuel, postal services and public transport.

Jozef Pinior, a Solidarity leader in Wroclaw, said Wednesday that workers at the Lublin Building Enterprise in south-central Poland had gone on strike Saturday demanding a wage increase.

He said that that police had arrested one of the strike leaders, Jacek Ty.

It was not clear whether they were still on strike. Workers at a farming cooperative in Tomaszow Lubelski, also in south-central Po-

Confidence Vote Asked in Italy Crisis

Reuters

ROME — President Francesco Cossiga announced Wednesday that he would send the outgoing government of Prime Minister Bettino Craxi back to Parliament for a vote of confidence.

A five-party coalition led by Mr. Craxi resigned March 3, and Mr. Cossiga has struggled unsuccessfully for a month to find a way of creating a new government and averting early general elections.

The announcement Wednesday night said that the president had

rejected the resignation and had invited the government "to present itself in Parliament."

There was confusion among political analysts about what would happen next. But they said there was a strong chance that the majority Christian Democratic Party, whose dispute with the Socialists is the main cause of the crisis, would withdraw its ministers from the government when it appears in Parliament.

The Christian Democrats are determined that if elections become

inevitable Mr. Craxi should not have the advantage of running the country during the electoral campaign.

By withdrawing their ministers, they could ensure the formation of an administration that merely had the job of running the elections.

A no confidence motion proposed by the opposition Communist is already pending in Parliament. Mr. Craxi was strongly criticized by the opposition for resigning without presenting his government for a vote.

Mr. Craxi's resignation came after a bitter dispute with the Christian Democrats over the majority party's demand that after three-and-a-half years in power he should hand over the prime ministership to them.

Since then a row dispute over referendums due in June on nuclear energy and legal reform, which the Socialists support and the Christian Democrats want to avoid, has blocked attempts to reconstruct the five-party coalition. The coalition also included the Social Democrats, Liberals and Republicans.

Mr. Cossiga's first attempt to solve the crisis was the nomination of a veteran Christian Democrat, Giulio Andreotti, as prime minister-designate. Despite his negotiating skills, Mr. Andreotti failed during a two-week effort to break the deadlock between his party and the Socialists.

Mr. Cossiga then nominated a Communist parliamentary speaker, Leonilde Iotti, to mediate. She said Tuesday that there was still room for a solution, within the framework of the five-party formula, that could stave off elections.

However, soon afterward, in a keynote speech opening his party congress in Rimini, Mr. Craxi made it clear that the Socialists had not dropped their insistence that the referendums be held.

Faced with a continuing deadlock, Mr. Cossiga has evidently decided that he has no choice but to send Mr. Craxi back to Parliament.

This will force the parties of the outgoing coalition and other groups in Parliament to make their positions clear in public.

Premature general elections, which could be held as early as May 31, have been predicted ever since Mr. Andreotti's failure.

But while the coalition parties continue squabbling, they all say they do not want the poll and favor a rebuilding of their alliance.

WORLD BRIEFS

CIA Is Accused of Honduran Bribery

TEGUCIGALPA, Honduras (AP) — A former Honduran military chief has alleged that the U.S. Central Intelligence Agency has bribed Honduran politicians to continue to support U.S. aid to the rebels fighting the Nicaraguan government.

General Walter Lopez Reyes also said Tuesday that the rebels, or contras, have been involved in numerous assassinations and disappearances in Honduras. There was no immediate comment from the Honduran government.

Honduras is an important U.S. ally in Central America. The contras operate from bases in southern Honduras in their effort to overthrow the Sandinist government in Nicaragua.

Bonn Frees East German Spy in Swap

FRANKFURT (AP) — West Germany on Wednesday exchanged an imprisoned man who had been an important spy for East Germany for four Bonn agents held by the Communists, the West German ZDF television network said.

Security sources confirmed that Lothar Erwin Lutz, who has been held in a West German prison since his 1979 conviction for betraying NATO secrets, had been sent back to East Germany. Mr. Lutz was handed over to East German officials at the Herleshausen border crossing, ZDF and the sources said.

The source, speaking on the condition of anonymity, said the four West German agents were part of the planned exchange, although they could not confirm that the East Germans had set them free.

Egypt Proposes Swap With Libyans

CAIRO (Reuters) — President Hosni Mubarak offered Wednesday to swap a military aircraft flown to Egypt by Libyans seeking asylum for three Egyptians in Libya who he said had been involved in a 1985 hijacking.

The national Middle East News Agency quoted Mr. Mubarak as proposing the surprise arrangement in remarks to reporters during a visit to Mansoura, 60 miles (100 kilometers) north of here.

He said Egypt would grant political asylum to the Libyan airman, believed to number five, who sought refuge here after fleeing in a C-130 transport and a helicopter in two separate incidents last month. He disclosed that three Egyptians now in Libya had been involved in the 1985 hijacking of an EgyptAir 737 to Malta in which 60 people died when Egyptian commandos stormed the plane at Valletta airport.

Duchess's Jewels on Sale in Geneva

GENEVA (Reuters) — Bidders hoping to buy a piece of history are expected to flock into a Geneva saleroom on Thursday when the Duchess of Windsor's collection of jewels goes on sale.

Sotheby's says it expects 1,000 prospective buyers to bid for the 200 pieces, which are gifts from Edward VIII, who gave up the British throne to marry Wallis Warfield Simpson. The sale's proceeds, expected to be about \$7.5 million, will go to the Pasteur Institute in Paris, to which the duchess left the jewels when she died last year.

Sotheby's refuses to give the names of bidders but newspaper reports said they would include Jacqueline Kennedy Onassis, Elizabeth Taylor, Barbara Streisand, Sophia Loren, Joan Collins and Elton John.



A flamingo clip, of rubies, emeralds, sapphires and diamonds to be sold.

2 Shot, Killed in Belgian Holdup Trial

LIEGE, Belgium (UPI) — Two men, one a barrister, were shot and killed during the trial of three persons accused of participating in holdups, a Justice Ministry spokesman said Wednesday. The barrister, Jacques Henry, died in a hospital of bullet wounds. Jose Cokaiko, one of the defendants, was shot dead in the courtroom.

The spokesman said Mr. Cokaiko opened fire with a pistol that his girlfriend had passed to him while he was being escorted to the toilets during a break in the session.

Mr. Cokaiko was hit by fire from state troopers who normally guard detainees in Belgian courts. The Justice Ministry spokesman said it was not clear whose bullets hit the barrister. The three persons on trial were members of a gang of five accused of having staged a number of holdups in 1984 after escaping from prison. Two of them escaped from jail again and are still at large.

For the Record

Beirut international airport, closed since Feb. 1, will reopen before the end of this week. Prime Minister Rashid Karami said in a statement Wednesday. He promised "to take all necessary arrangements to ensure the safety of all travelers." (UPI)

The Bank of Israel has permitted a special transfer of \$150,000 in private funds to the family of the convicted American spy, Jonathan Jay Pollard, a fund-raiser said Wednesday. Mr. Pollard, 32, pleaded guilty to selling Israel U.S. military information. The U.S. Navy intelligence analyst was sentenced to life in prison. (AP)

Thousands of West German farmers crowded into Bonn's main square Wednesday to denounce agricultural reform plans by the European Commission, which is here for talks. The farmers are demanding fair prices for farm produce and guarantees for the livelihood of small farmers. (Reuters)

TRAVEL UPDATE

Lufthansa, the West German airline, started regular services Wednesday from Frankfurt to Washington and also to Riyadh. The four weekly flights to Washington will be increased to five at the end of the month, a statement said. The flights to the Saudi capital will be twice weekly. (Reuters)

France's Air Inter canceled 20 domestic flights and Air France reported some delays in its international services Wednesday on the first day of a 90-minute daily strike by Paris air controllers. They are striking from 6:30 to 8 A.M. for a indefinite period. The controllers contend that management is trying to impose a return to a 39-hour working week in place of the 32-hour week they obtained in 1979. (AP)

Spanish hotel workers in Granada have called a strike over the Easter holidays to coincide with stoppages of gasoline delivery and public transportation. The Communist-led Workers Commissions has called six days of strikes in Andalusia Province, four of them during Holy Week, preceding Easter on April 19, when millions of Spaniards and foreigners go on vacation. (Reuters)

U.S. House Rejects Move to Mark EC Charter

The Associated Press
WASHINGTON — The House of Representatives rejected Tuesday a resolution congratulating the European Community on its 30th anniversary.

In opposing the resolution, congressmen representing farm states protested what they called unfair trade practices against U.S. farm exports.

The measure would have recognized the signing in March 1957 of the Treaty of Rome, which gave birth to the Common Market, and praised the European Community for developing "the close and mutually beneficial relationship that exists between the United States and Europe."

Such routine House resolutions ordinarily are approved by voice vote. But after a day of lobbying for support to defeat the measure, Representative Frederick L. Grandy, Republican of Iowa, requested a roll-call vote. The 269-147 vote in favor of the resolution fell short of the necessary two-thirds majority.

"A host of import protections and export subsidies," Mr. Grandy told his colleagues, "have enabled the EC to drastically reduce the ability of the American farmer to compete fairly for its share of the world market, depressing prices, causing enormous surpluses and expensive storage problems for the American industry."

He said in a statement that "now is not the time to be sending a bouquet to the Europeans, considering some of their unfair trade practices, which are hurting Iowa farmers and American farmers everywhere."

With support from other farm-state members, Mr. Grandy said that he could not support the bill commending the EC, "whose success has come at the expense of the American farmer."

Forget them not.



You've shared so many memories with so many people in the States. It would be a shame to leave them all behind. So pick up the phone. And let AT&T help you pick up where you left off.



UNIVERSITY DEGREE
SACHOLAR'S • MASTERS • DOCTORATE
For Work, Academic, Life Experiences.
Send detailed resume for free evaluation.
PACIFIC WESTERN UNIVERSITY
400 N. Sepulveda Blvd.,
Los Angeles, California
90047, Dept. 21, U.S.A.

U.S. Court Endorses Searches of Some Offices

By Al Kamen
Washington Post Service
WASHINGTON — The Supreme Court ruled Tuesday that public employers do not need a search warrant to search employees' offices for evidence of work-related wrongdoing.

But the justices, unanimously rejecting arguments by the Reagan administration, said employees do enjoy a "reasonable expectation of privacy" in their offices, and especially in personal effects in their briefcases or purses.

The court's 5-4 vote affirmed its first ruling in the area of public employees' Fourth Amendment rights under the U.S. Constitution. It was being closely studied for clues to the court's thinking on the issue of mandatory drug testing for public employees. The Fourth Amendment prohibits "unreasonable searches."

Justice Sandra Day O'Connor, in a plurality opinion joined by three other justices, said that "a search of an employee's office by a supervisor" was justified "when there are reasonable grounds for suspecting that the search will turn up evidence that the employee is guilty of work-related misconduct."

"Searches and seizures by government employers or supervisors of the private property of their employees," she said, "are subject to the restraints of the Fourth Amendment."

Representatives of employees unions were disappointed that the court sanctioned warrantless searches and gave employers broad leeway for searches. But they said language in the opinion appeared to support their opposition to an executive order of mandatory drug testing for some federal employees.

But a Justice Department spokesman, Patrick Korten, said the decision on Tuesday was "modestly good news."

"It recognizes that there is a legitimate employers' interest here," he said. "It gives us some hope that a well-designed, well-oversight drug-testing program might be looked on with favor. We should not judge what the court will ultimately do, but it gives us some encouragement."

The ruling came in the case of a doctor at a state hospital whose locked office and files were searched by officials looking for evidence of alleged misconduct. The doctor argued that the search violated his Fourth Amendment rights. The hospital, joined by the administration, said he had no "expectation of privacy" in his office and thus no constitutional protection against such searches.

Writing in the case, O'Connor vs. Ortega, Justice O'Connor said that the court rejected the contention "that public employees can never have a reasonable expectation of privacy in their place of work."

"Individuals do not lose Fourth Amendment rights merely because they work for the government instead of a private employer," she wrote. "The operational realities of the workplace, however, may make some employees' expectations of privacy unreasonable when an intrusion is by a supervisor rather than a law enforcement official."

"In the case of searches conducted by a public employer," she continued, "invasion of employees' rights should be balanced against the government's need for supervision, control and the efficient operation of the workplace."



William Stern, the biological father of Baby M, and his wife, Elizabeth, in Hackensack, New Jersey, after a state Superior Court judge awarded them custody of the child.

Bonn Is Seeking Ban on Surrogate Contracts

The Associated Press
BONN — Health Minister Rita Süssmuth, reacting to a New Jersey judge's decision upholding a surrogate contract, said Wednesday that West Germany was preparing a law to ban surrogate motherhood.

Mrs. Süssmuth said the Health Ministry was drawing up a draft of the law that it hoped would be adopted by all West German states this month. It would ban surrogate motherhood, the health minister said, and penalize middlemen hired to look for possible surrogate mothers.

She said the law would be intended to protect poor women who might agree to surrogate motherhood because of financial considerations.

"The aim of the law," she said, "is to hinder misuse of advances made in medicine and to protect the dignity of needy women and their children against health and psychological dangers both before and after birth."

As W. Marshall Prettyman, an associate professor of law at Seton Hall University, said of the ruling, "It is significant for all the reasons this was a big case, because it's never happened anywhere else before."

Except that there was a contract between the child's biological parents, the case, as Judge Harvey R. Sorkow of the state Superior Court franted it, was a classic custody dispute, forcing the judge, with the assistance of a phalanx of expert witnesses, to determine "the best interests of the child."

In using that standard — or, indeed, in finding that the father would be the better parent, as more courts have done in recent years — Judge Sorkow did not break any new ground. Superior Court is New Jersey's lowest trial-level court, and the value of its rulings as legal precedent is largely confined to cases in the state.

Courts and government commissions not only in the United States but also in Canada, Britain and Australia will continue to examine whether surrogate parent contracts should be permitted.

The attorney in charge of the juvenile-rights division of the Legal Aid Society in New York City, Lenore Gittis, said Tuesday: "What happened today has to have enormous precedential value, qualified by what the appellate courts do, because people are not going to stop wanting children or stop wanting natural children."

Judge Sorkow, although the first to face the situation of having to choose between the two biological parents involved in a surrogacy agreement, is not the first judge to have wrestled with the underlying question of whether the contracts should be outlawed as a matter of public policy.

The highest court to rule directly on the question has been the Kentucky Supreme Court, that state's highest court. The decision was in a case in which the state attorney general was trying to shut a clinic

that brokered surrogacy agreements, on the ground that it was involved in the illegal sale of babies. The court found that nothing in state law prohibited surrogate parent agreements.

In a plurality opinion in the case, Surrogate Parenting Associates Inc. vs. Commonwealth of Kentucky, the court said: "The advances of biomedical science have carried us forward, willingly or otherwise, into a new era of genetics. If there are social and ethical problems in the solutions of public policy that belong in the legislative domain, not in the judicial, under our constitutional doctrine of separation of powers."

"Short of such legislation, it is not for the courts to cut off solutions offered by science."

Judges in New York, New Jersey, Kentucky and elsewhere have continued to deliberate in a legal limbo, faced with biomedical advances and trying to make them fit into the moldy framework of laws on adoption, custody and the granting of parental rights.

Surrogate Motherhood: Still a Legal Limbo

As for the Baby M case, the existence of the contract between Mr. Stern and Mrs. Whitehead has, perhaps, heightened the chances that the appellate courts in New Jersey will consider the appeal that Mrs. Whitehead has vowed to pursue.

Otherwise, in the typical custody dispute, the appellate courts generally defer to the judge in the trial court who has observed the competing parents first-hand, has heard them testify and has heard from expert witnesses.

"But the contract issue is different," said Jane Spinak, an associate professor at the Columbia University Law School, "and I think that changes the scope of the appeal, mainly because it's an issue of public policy."

Even if the New Jersey Supreme Court ultimately rules in the case, its judgment could be superseded by the legislature.

For now, Mrs. Whitehead has lost all rights as the biological mother. But according to those familiar with children who have been adopted or who have grown up in foster homes, the children almost always want to know their "other family."

"Even when a judge has made a ruling to terminate parental rights," Professor Spinak said, "it doesn't mean that in the long run the child is, in fact, cut off from that other parent or that other set of parents."

"How, over time, the Sterns and that child come to deal with this may have much more to do with what is in the child's best interest than the judge's decision," she said.

Soares Pledges to Help Brazil
The Associated Press
SAO PAULO — President Mário Soares of Portugal arrived here Tuesday for talks with local business leaders. He said his country would help Brazil improve its trade relations with Europe.

House Panel Sets Controls On U.S. Aid

The Associated Press
WASHINGTON — The House Foreign Affairs Committee has adopted an extensive package of changes in the U.S. aid program in an attempt to reduce the unauthorized diversion of cash development aid by foreign countries.

The panel approved the changes Tuesday as it worked toward completion of an aid bill that would provide \$11 billion for fiscal 1988, which begins Oct. 1, and a similar amount for 1989.

Proposed by Representative Lee H. Hamilton, Democrat of Indiana, the changes would require that recipient countries set up separate accounts for U.S. aid so the money is not mingled with other funds.

The changes also would specify that aid money be used in long-term development projects rather than for routine current spending.

In addition, the measure would limit the State Department's ability to transfer money for purposes other than those specifically authorized by Congress and would institute sanctions against governments caught diverting aid money for corrupt purposes.

One provision would require that at least half the aid money to developing countries that are major recipients be used for such programs as agricultural productivity, health and literacy.

The panel adopted the amendments, 22-7, over the objections of the Reagan administration, which contended that some of the restrictions would tie its hands in administering aid programs.

"We've just got an awful lot of money floating around out there and there's no accounting for it," said Mr. Hamilton, who added that overseas economic development aid totaled \$2.5 billion this year, 65 percent of it in cash.

"These funds are ripe for diversion," he said, mentioning Liberia and the former regimes in Haiti and the Philippines as examples.

Reagan Urges Schools to Emphasize Sexual Abstinence to Prevent AIDS

The Associated Press
PHILADELPHIA — President Ronald Reagan said Wednesday that AIDS was "public health enemy No. 1," and he endorsed sex education in the schools as long as it includes the teaching of sexual abstinence.

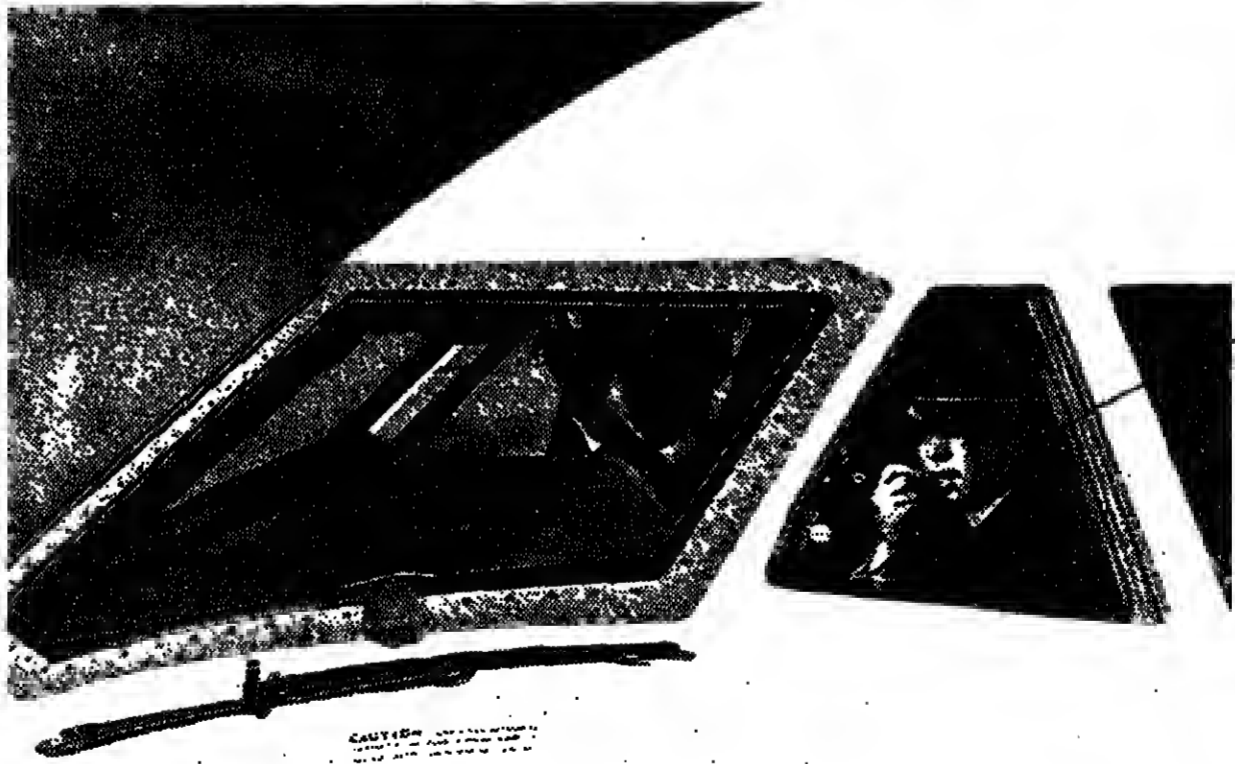
In a speech at the College of Physicians of Philadelphia, Mr. Reagan said "all the vaccines and medications in the world won't change one basic truth — that prevention is better than cure."

Mr. Reagan noted that the Public Health Service has issued an information and education plan for the control of the disease.

"How that information is used must be up to schools and parents, not government," he said. But, he added: "Let's be honest with ourselves. AIDS information cannot be what some call 'value neutral.' After all, when it comes to preventing AIDS, don't medicine and morality teach the same lessons?"

The president said the administration plans to spend \$766 million in the current fiscal year on AIDS, and more than \$1 billion in 1988.


ONLY ONE AIRLINE FLYING NON-STOP TO TOKYO CAN SAY THIS:



"GOOD EVENING, LADIES AND GENTLEMEN, AND WELCOME ABOARD."

ONLY JAL HAS CONVENIENT EVENING DEPARTURES FROM LONDON HEATHROW: TUESDAY AND SATURDAY DEPART 1930. ARRIVE TOKYO 1510. AND FROM PARIS: FRIDAY AND SUNDAY DEPART 2040. ARRIVE TOKYO 1525. FROM APRIL.

 **JAPAN AIR LINES**
EVERYTHING YOU EXPECT AND MORE.

ZENITH

Academy
Le privilège de la création suisse
Paris: PERROD, 1, Royal 407, av. Victor Hugo 109.
London: MAPPIN & WEBB, King's Cross Road, London WC2R 2JF.
Geneva: HORN, DU RHODÉ, 1, av. Pasteur 78.
Zurich: CHRONOMETRE BEYER, Baldegasse 31.
Vienna: JUREK, Kärntnerstr. 12.
Copenhagen: P. KLARLUND, Vestergade 6.

Hawke Rules Out Early Election, Citing Threat to Economy



Prime Minister Bob Hawke of Australia on Wednesday.

By Michael Richardson
International Herald Tribune

CANBERRA, Australia — Prime Minister Bob Hawke of Australia ruled out Wednesday an early general election next month, saying it could undermine prospects for economic recovery.

Mr. Hawke said Australians would vote late this year or early in 1988, shortly before the Labor Party government's three-year term expires in April. There had been speculation an early election might be called.

Mr. Hawke said at a press conference that he had been tempted to take advantage of divisions within the conservative opposition and was confident his Labor Party would win an early election.

But this might have created economic instability and would have "brought into question the government's resolve to make the tough decisions needed to meet the economic challenge facing this country," he said.

Australia's economic difficulties have been caused partly by a sharp decline in prices for its main exports, which include coal, wheat and other mineral and agricultural commodities.

The country is also beset by sluggish growth, high inflation and in-

terest rates, and large budget, trade and balance of payments deficits.

John Howard, leader of the opposition Liberal Party, said Mr. Hawke had decided against an early election because he was afraid he would lose. Mr. Howard said the Labor Party would lose the next election, whenever it was held, because Australians were fed up with high interest rates and taxes, excessive trade union power and falling living standards.

A report on Australia released Tuesday by the Organization for Economic Cooperation and Development forecast that Australia's economy would expand by more than 3 percent in the fiscal year starting in July.

Inflation, running at 9.8 percent — more than twice the average for the OECD's other industrialized member countries — should drop to 5.5 percent or lower by mid-1988, the report added.

Mr. Hawke said he expected that interest rates, currently 16.5 percent on commercial loans but substantially lower for most housing credits, would fall in coming months.

But the OECD report also forecast that Australian unemployment would rise from 8 percent of the

workforce now to 8.5 percent in 1988.

The OECD report followed an assessment Monday by a leading U.S. business advisory group, the Conference Board of New York, that said Australia was poised for renewed economic growth after more than a year of recession.

Because of Australia's economic difficulties the government has said it will announce further austerity measures, including cuts in government spending, in a budget to be released May 14.

Analysts said another reason Mr. Hawke had decided against an early election was the hope that the delay would rekindle factionalism in the opposition coalition of the Liberal Party and the National Party.

In recent weeks, Mr. Howard, a lawyer who became opposition leader in 1985, has dismissed his deputy, Andrew Peacock, for critical comments he made about Mr. Howard's leadership. Peter Baume, the opposition spokesman on women's affairs, resigned because he did not agree with the party's rejection of government legislation offering equal opportunity in employment and other areas to women.

Sir John Bjelke-Petersen, premier of Queensland and leader of the

National Party in that state, has campaigned to break up the federal opposition coalition that has governed Australia for 43 of the past 64 years.

The premier has claimed that both the Liberal Party, the senior partner in the coalition, and the Labor Party have failed to give Australia effective leadership.

On Wednesday, after Mr. Hawke's announcement, Sir John said he intended to push ahead with preparations to offer a slate of National Party candidates across Australia in the next general election.

Analysts said that the Hawke government, while nominally committed to democratic socialism, had attracted supporters by applying free-market policies in a number of key areas of the economy such as the financial sector.

This approach, the analysts said, had intensified disputes within the opposition coalition, especially in the Liberal Party, over policy alternatives.

The group headed by Mr. Howard favors radical reform of industrial relations, lower taxes, less government involvement in many areas of society and greater scope for private enterprise and individual initiative.

Living Abroad

Yanks With Irish Roots Are Seeking Passports to Work in EC

By Sherry Buchanan
International Herald Tribune

LONDON — If the staff of the Hibernian Research Co. is often hard to reach, be patient. They may be trying to find someone's granny.

The answering machine at its Dublin headquarters says the staff is "on assignment," which for the Hibernian team of genealogists means tracking down Irish relatives for Americans anxious to acquire Irish citizenship.

Field trips include looking through archives and parish registers, visits to the local bar, the parish priest and the occasional 96-year-old woman who only speaks Irish Gaelic and lives in a cottage deep in the countryside with no running water.

Hibernian Research has used these tried and true methods to find the ancestors of Ronald Reagan and John McEnroe.

Looking for one's roots has always been a sentimental business for many Americans. But an increasing number of Americans who want to live and work in the European Community are digging up Irish grandparents born in any of the Irish Republic's 26 counties or in the six counties of Northern Ireland and applying for Irish citizenship.

The advantage is that holders of an EC passport do not need work permits to work in EC countries. Until

January of this year, people with a great-grandparent born in Ireland also were eligible to get an Irish passport. The children whose parents registered with an Irish consulate prior to January 1987 are still eligible under the old rule.

The sudden rush to acquire an Irish passport was triggered last year both by Americans worried about terrorism and by U.S. media attention to the Irish parliament's decision, in June, to tighten the law.

Now some Americans going to work in Europe have decided that a trip to Ireland in search for grandparents can be a lot more fun than going through the hassles of getting a work permit in an EC country.

Since 1956 when the law was passed, on average only 60 Americans a year applied for Irish passports. That increased to 4,200 of all nationalities last year. This year, to date, 5,000 New Yorkers alone have applied for Irish citizenship at the consulate in New York.

Although the consulate does not keep statistics on the reasons for applications, it said that a majority are doing it for sentimental reasons only, not because they are being transferred to an EC country.

Hibernian Research estimated that 10 percent of its clients last year were searching for relatives in order to acquire citizenship to work in an EC country. Only a handful did so in 1985.

Being spared the long wait on the "other" line reserved to non-EC passport holders at many European airports and the 36-hour delay to get a French visa for a weekend in Paris is reason enough for others to look for long lost Irish relatives.

"That 'other' line is a killer," said David Mitchell, a Canadian who was transferred to London by Elizabeth Arden. Mr. Mitchell spent three weeks tracking down his Irish grandparents before moving to London but came up blank. But, now that he is in London, he is thinking about re-launching his search.

Because Ireland is a small country, many Americans think that by just knowing the county their grandparents came from will solve the problem. But, according to genealogists, it is a bit more difficult than that. The main problem, according to the genealogical agencies, is that a fire in 1922 destroyed all the censuses before 1901 as well as 30 percent of the registers of Church of Ireland parishes.

"It's not as bad as it sounds," said Thomas Lindert, director of Hibernian Research, an accountant turned genealogist, who handles 1,500 searches a year, which cost on average \$200 and last three months. "In Ireland, civil registers were started in 1864," he said. "Although they don't give the names of a family living under one roof the way a census does, they do record

births, marriages and deaths. It is very rare that the grandparents of people wanting to acquire citizenship today were born before 1864."

As a way to make sure applicants for Irish citizenship are not presenting the wrong documents knowingly or unknowingly, Irish consulates require Americans to produce a copy of their birth certificate that lists the parents' ages when the child was born.

"The ages of the parents at the time of birth is just a way of ensuring that it is really the same person you are talking about," said James Farrell, the Irish vice consul in New York.

"So many people in Ireland have the same name like Kelly or Murphy," he said. "Knowing the age of the parent when the child was born removes any doubt that the applicant is using documents related to another Kelly or Murphy."

What does official Washington think about all this? According to the spokeswoman of the State Department's Office of Overseas Citizens:

"Although we don't acknowledge dual nationality, we recognize that, in the case of people with a grandparent born in Ireland, because Irish citizenship is conferred by automatic operation of Irish law and not by an act of naturalization, it does not jeopardize U.S. citizenship."

U.S. Justice Dept. Wants to Keep Out Waldheim

By John M. Goshko
Washington Post Service

WASHINGTON — The Justice Department office that investigates Nazi war crimes is renewing its recommendation, first made last year, that President Kurt Waldheim of Austria be barred from the United States.

The department recently sent Attorney General Edwin Meese 3d a memo of more than 200 pages of evidence, much of it gathered in the last two months, that Mr. Waldheim might have been involved in

World War II atrocities against Yugoslav partisans.

Mr. Meese had said he would not be influenced by Mr. Waldheim's status as Austria's president or his position as UN secretary-general from 1972 to 1982. But he has not acted on the recommendation, made in April 1986, by the department's Office of Special Investigations.

Patrick Korten, a department spokesman, would not say when Mr. Meese might deal with the case. He said the attorney general does not regard it as "an immediate, burning issue" or "a priority."

Government and private sources familiar with the memo, prepared about two weeks ago, said it describes Mr. Waldheim's service as a German Army officer in Yugoslavia, and allegations that he has tried to conceal his wartime service in the Balkans.

As one source put it, "the evidence is so overwhelming that it needs a dozen times over the requirements under U.S. law for establishing a prima facie case" to put Mr. Waldheim on the "watch list" of persons not permitted to enter the United States.

The Immigration and Naturalization Service's watch list contains about 40,000 names. Federal law specifies that individuals should be barred from entering the United

States if they were associated either with the Nazi government in Germany, with governments that were Nazi allies or with puppet governments in Nazi-occupied areas.

■ Drops Role in Project
Officials in Vienna and in Brussels said this week that Mr. Waldheim has personally waived his patronage of a major Austrian cultural exhibit in Belgium following a diplomatic tug of war that threatened to cause the collapse of the project. The Associated Press reported from Vienna.

Patrons for the three-month European festival, which starts Sept. 15, included King Baudouin of Belgium, but Belgian newspapers have reported that the monarch did not want to be listed on the program with Mr. Waldheim.

DOONESBURY



Le Meeting

Business meetings are more relaxed at Le Meridien. Social gatherings more sociable. Quiet tête à tête more intimate. With full conference facilities, two superb restaurants, bars, luxurious accommodation and the famous Champneys Health Club on hand, it's hardly surprising. Especially when you add that special art de vivre which only the French can supply. Le Meeting at Le Meridien.



The very soul of France in the very heart of London

Le Meridien, Piccadilly, London W1V 0BH. Tel: +44 1734 8000. Central Reservations: Telephone: +44 1 430 1244.

RENDEZ-VOUS WITH THE FUTURE

23 - 24 - 25 April 1987
International Conference Centre
Cité des sciences et de l'industrie
- La Villette -
25 avenue Corentin Cariou
75019 PARIS

THE FACE OF EUROPE IN THE YEAR 2010

For 3 days at the ultra-modern «City of Science» at La Villette in Paris, Europe will be taking a good hard look at its own future, your future... What trump cards does our continent hold in today's changing world?

For the first time in France an international conference will bring together top European specialists in long-range forecasting.

The discussions will cover 4 major themes: - The world economy and tomorrow's firm - Technological mutation - Daily life in 2010 - Europe, a source of innovation.

Researchers, industrialists, businessmen, political decision makers and generally all those involved in building the future of Europe can look forward to 3 days of stimulating debate and discussion.

Jean-Marc de CHAUVIGNY
OIP
82 Rue de Miromans
75008 PARIS
Tel: 45 62 84 58
Registration Fee
- 3 days: 2 000 FF tax incl.
- 1 day: 800 FF tax incl.
reduced fee for teachers.
Simultaneous translation English/French



EUROPROSPECTIVE

OIL & MONEY IN THE EIGHTIES.

LONDON, OCTOBER 22-23, 1987

The eighth International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties" will take place on October 22 and 23 in London.

The conference which has become a major annual event in international energy circles, will feature an outstanding group of worldwide energy and financial experts and government leaders from Europe, the Middle East and the United States. The conference is designed to provide senior executives from the financial and energy sectors with an annual comprehensive update on the world oil market.

For full details please clip your business card to this announcement message and return it to: International Herald Tribune, Conference Office, 63, Long Acre, London WC2E 9JH. Or Telephone: (441) 836 4802. Telex: 262009.

American Airlines announces three new daily flights from Europe to America.

Zurich and Geneva to Chicago (April 2), Frankfurt (April 10) and Paris/Orly (May 8) to New York.

American Airlines. The American Airline.

For reservations, call your travel agent or nearest American Airlines office.

SCIENCE

Nicotine, a Weed Harder to Kick than Heroin

By Sandra Blakeslee

Despite overwhelming evidence that tobacco is shortening their lives, 53 million Americans continue to puff 570 billion cigarettes a year.

Many smokers are highly intelligent people. Yet they find that they cannot control this one, seemingly uncomplicated, aspect of their behavior. Are smokers more weak-willed than nonsmokers or former smokers? Or do they continue to smoke for reasons more powerful than previously imagined?

Interdisciplinary research in pharmacology, psychology, physiology and neurobiology is just beginning to shed light on the incredible hold that tobacco has on people. Scientists have found that nicotine is as addictive as heroin, cocaine or amphetamines, and often more addictive than alcohol. Its hooks go deep, involving complex physiological and psychological mechanisms that drive and maintain smoking behavior, and that even produce some "good" effects, such as improved performance on intellectual, computational and stressful tasks.

The bad effects are legion. Tobacco use is the number one preventable cause of illness and death in the United States. The medical bill for fatal illnesses related to smoking has been estimated at \$60 billion a day, according to a 1985 Congressional Office of Technology Assessment study.

Since the Surgeon General's report on smoking in 1964, about 37 million Americans have quit. Those still addicted tend to smoke more cigarettes, but they should not lose hope. New strategies for quitting, based on a deeper understanding of the addiction, are in the wings. "The known enemy is more easily overcome," says Dr. Jack Henningfield, who specializes in the biology of dependence and abuse potential at the Addiction Research Center of the National Institute on Drug Abuse in Baltimore.

When the first warnings about tobacco were published more than 20 years ago, many experts thought that smoking was "no different than compulsive potato chip eating," says Dr. Henningfield. It is now clear, he says, that smoking is a subset of compulsive behavior in which the controlling factor, nicotine, profoundly affects the smoker's central nervous system, producing pleasurable effects, dependency and withdrawal.

This finding has been long believed, but only recently proved through tests that meet today's scientific standards. Heroin, cocaine, alcohol, amphetamines and nicotine have many things in common. They affect the nervous system through different routes, but their end results are dependency.

"Heroin addicts say it is easier to give up dope than it is to give up smoking," says Dr. Sharon Hall, a psychology professor whose research at the University of California's San Francisco medical school centers on curtailing drug abuse.

Like heroin, nicotine is an alkaloid found in plants. The alkaloid kills insects by disrupting their neurotransmitters, substances released by the bug's activated nerve cells. Humans have the same neurotransmitters. What is toxic to the insect, however, is pleasurable to the human when taken in the tiny amounts found in cigarettes. Alkaloids exert their effects by binding to receptors in the brain and other nerve tissue. Heroin attaches to the brain's natural painkilling receptors. Nicotine affects a major neurotransmitter system that is involved in the very conduction of nerve signals, memory and other critical functions. It also binds to white blood cells and is carried to most body tissues.

An addictive drug of abuse is defined as one that will be repeatedly self-administered, even though there is no medical reason for it. People take aspirin for a headache, but when the pain is gone, they stop taking it. Most drugs of abuse produce either tolerance or withdrawal. Nicotine does both. Tolerance means that, up to a point, more of the drug is required to achieve the same effect, or that there is diminished effect when the same dose is used regularly.

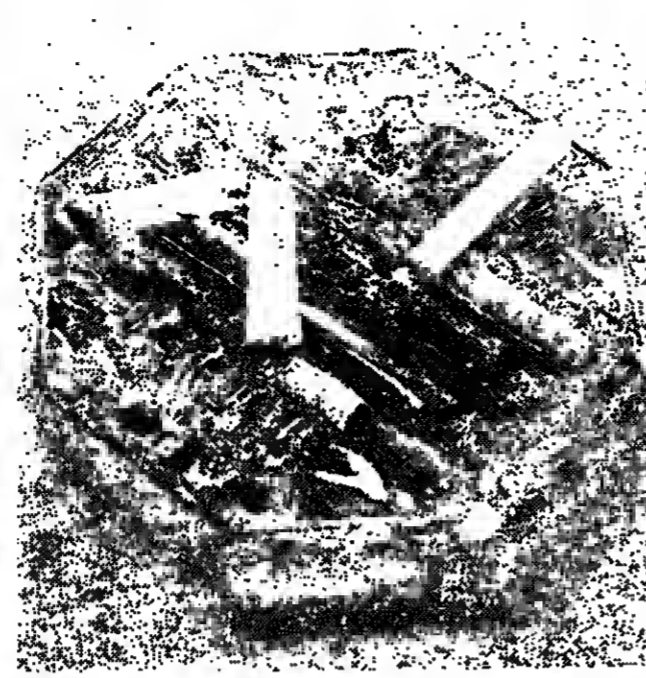
Withdrawal is a constellation of symptoms experienced after stopping regular use of a drug. Nicotine withdrawal often includes anxiety, irritability, difficulty concentrating, restlessness, craving for tobacco, gastrointestinal problems, headaches, drowsiness, decreased heart rate, tremors and slowed metabolism. "The popular media have exaggerated the withdrawal from withdrawal from tobacco," says Dr. Neil Benowitz, a clinical pharmacologist at the University of San Francisco medical school.

Nicotine is very different from most other drugs of abuse in important ways. Its effects are felt more rapidly than those of drugs taken intravenously. One-quarter of the nicotine in each drag reaches the brain in seven seconds. The nicotine concentration in the blood peaks at about the time that the cigarette butt is extinguished. The effects then fall off rapidly as nicotine is cleared by the liver and excreted in urine. Within a half hour, many smokers seek a new dose of nicotine. A pack-a-day smoker takes 70,000 drug "hits" a year.

Nicotine also acts both as a stimulant and sedative. Shallow puffs tend to increase alertness, whereas deep drags relax the smoker. Low nicotine doses facilitate the release of the neurotransmitter acetylcholine — which makes people feel alert — but high nicotine doses block the flow of this compound.

Nicotine is the "drug for all occasions," says the research psychologist Dr. Ovide Pomerleau, director of the behavioral medicine program at the University of Michigan. "Its variable effects are available on demand and do not outlast the circumstances to which they are appropriate. Unlike other drugs, nicotine does not interfere with normal activity."

Smokers are incredibly adept at maintaining a steady concentration of nicotine in their bloodstreams throughout the day, says Dr. Benowitz. There seems to be an internal sensing system, like a household thermostat, that knows when nicotine levels are too low. Called a "nicostat," it is what drives a smoker to light up when the nicotine level falls below his set point. Most smokers require about 10 cigarettes a day to maintain a "comfort zone." After a night's sleep, smokers deeply inhale their



first few cigarettes to raise the concentration of nicotine in their blood.

The so-called therapeutic effects of smoking, such as stress reduction and appetite control, are mediated through nicotine's impact on a host of chemicals that modify the activity of neurotransmitters to regulate mood, learning, alertness and performance. The smoker uses nicotine to fine-tune his body's reactions to the outside world. If its preferred mode of administration did not carry tar, carbon monoxide

and thousands of poisons into the lungs, many scientists say, nicotine might not be such a bad drug.

Current studies are proving that, for regular smokers, nicotine improves short-term memory, concentration and intellectual performance. It is not known, however, if the drug would produce these positive effects on nonsmokers. Nicotine also gives subjective relief from stress. Paradoxically, it induces the biological symptoms of stress.

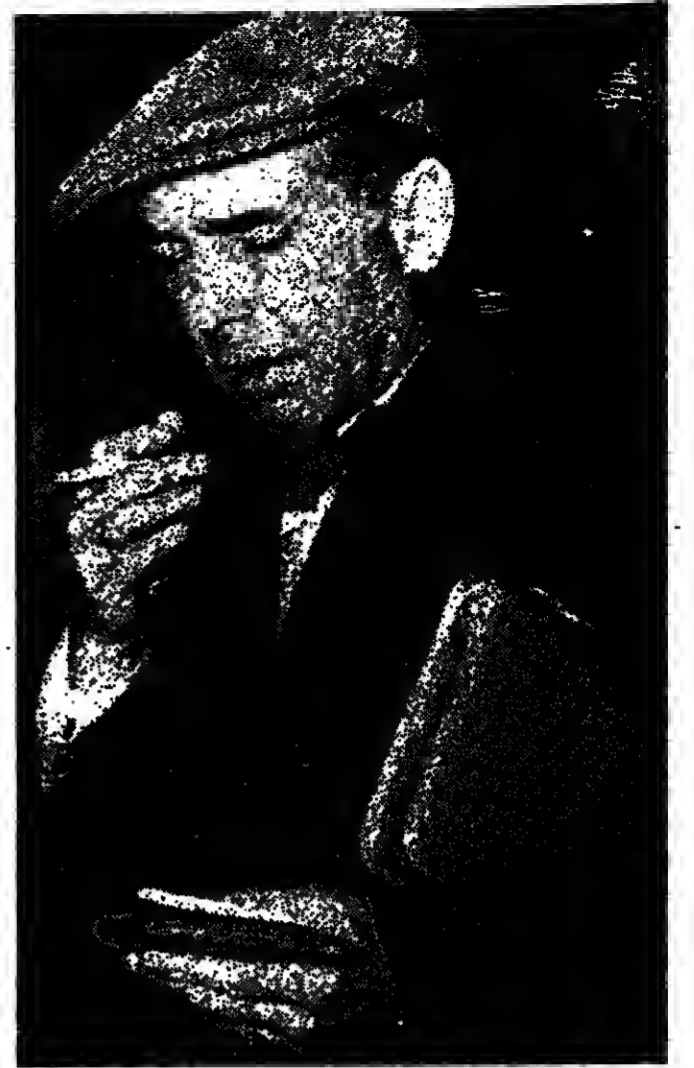
Why females might have a stronger appetite for carbohydrates after they stop smoking than males do is a mystery, says Dr. Grunberg. Scientists theorize that carbohydrates exert a soothing, calming effect on people and that, perhaps, females seek the effect more than men.

New strategies for loosening nicotine's physiological grasp are also being developed. Drugs, such as clonidine, used to treat opiate withdrawal, as well as naltrexone, which is given to heroin addicts, and mecamylamine, an antihypertensive medicine, seem to block some nicotine effects. All are being used experimentally to help people stop smoking. In addition, an antidepressant drug called fluoxetine, which elevates mood and suppresses appetite, is being tried on smokers who are going through withdrawal.

Nicotine replacement therapies are promising because they satisfy the smoker's physical dependence on nicotine while he concentrates on unlearning the psychological habits that drive smoking behavior.

A nicotine gum, combined with behavioral intervention therapy, has helped an estimated one million smokers at least try to quit. In a one-year study, 31 percent of the participants who chewed the gum, read a self-help manual on how to give up smoking and underwent counseling, stopped smoking. The gum doubled the effectiveness of the other two therapies. A nicotine nose spray is being tested in Europe, and a skin patch that releases nicotine slowly into the blood is being developed in the United States.

This article was excerpted from *The New York Times Magazine*.



The smoker uses nicotine to fine-tune his body's responses to the outside world.

Hyatt Introduce The Gold Standard Of Frequent Traveller Programmes.

With a Hyatt Gold Passport membership, you will finally get the very special treatment you deserve. Along with the generous travel awards you expect.

Hyatt Gold Passport offer you more than twenty innovative personal services:

Including Five Minute Express Check-in, Exclusive members-only rooms, complimentary access to health club facilities. And a Morning Express breakfast that is delivered to your room within ten minutes, or it is free.

What is more, your Hyatt Gold Passport profile enables us to consistently serve your individual needs at over 125 Hyatt Hotels and Resorts worldwide.

Exclusive services are just the beginning. As you stay at Hyatt, earn points that entitle you to Regency Club and suite upgrades, free Hyatt stays including sumptuous dining, even a ten-day dream holiday at any Hyatt in the world, including air awards from Gold Passport partners.

All of this for an annual fee of just twenty-five U.S. dollars. And when you enroll, you will immediately receive a special award — valuable discounts on accommodations, airfares and car rentals.

The Hyatt Gold Passport Frequent Traveller Programme. More than a programme, it is our way of life. It is also the standard by which all others will forever be judged.



HYATT HOTELS & RESORTS
For Your Hyatt Gold Passport Membership, call your local Hyatt Hotel.

IN BRIEF

Suicide Is Increasing Among Elderly

DURHAM, North Carolina (NYT) — Recent reports of teen-agers taking their own lives have obscured the fact that, in the United States, people 65 years old and older commit suicide more frequently than do younger people. Past studies have shown that 17 percent of all suicides are committed by the 11 percent of the population 65 or older; now new research has found that suicide is increasing among the elderly.

From 1968 to 1980, deaths by suicide increased 15.6 percent for white men and women and nonwhite men above the age of 85. No increase was seen in that age group for nonwhite women.

The study was by Dr. Kenneth G. Manton, a researcher at the Center for Demographic Studies at Duke University, and colleagues using data from the National Center for Health Statistics. The findings were published in the current issue of *The Journal of Gerontology*.

Acid Lakes Found in the Poconos

BETHLEHEM, Pennsylvania (NYT) — Much of the concern about acid rain has focused on the vulnerable lakes of the Adirondack Mountains of upstate New York. But a new survey of available information on 160 lakes in the Pocono Mountain region of Pennsylvania has shown that 7.5 percent are already acidified and more than 70 percent have become vulnerable, or "sensitive," to damage from acid rain.

Particularly hard hit are small lakes at high elevations; 30 percent of lakes covering less than 50 acres (20 hectares) at elevations of more than 1,640 feet (499 meters) above sea level are already acidified, according to the survey.

The conclusions are based on data obtained from federal, state and private agencies by the Environmental Studies Center of Lehigh University in Bethlehem.

Hawaiian Peak Is Key Telescope Site

NEW YORK (NYT) — The selection of Mauna Kea, the highest summit in Hawaii, as site for the gigantic National New Technology Telescope has insured that the dormant volcano will continue to be the world's chief center of astronomical observations far into the next century.

Eight observatories are already operating there and another, which is under construction, should reign as the world's most powerful for several years. One of the multiple black cinder cones that form the volcano's 13,796-foot (4,215-meter) summit will also be the site of Japan's national telescope, which will be one of the most powerful in the world.

Report Cites Worldwide Extinctions

WASHINGTON (NYT) — A congressional advisory group has called for a coordinated program to arrest the decline in animal, plant, insect and microbe species it said are disappearing at a rate perhaps not seen since the loss of the dinosaurs 65 million years ago.

The recommendation came in a 334-page report prepared over the last two years by the Office of Technology Assessment, an agency chartered by Congress to advise on scientific and technological issues. The study, "Technologies to Maintain Biological Diversity," is the most comprehensive assessment yet produced by a government agency on the threat the loss of species poses to human welfare. The study proposes a wide range of federal and private actions that could help reverse the trend.

The new report reflected the mounting concern among biologists over the loss of biological diversity, a concern that has been expressed with growing urgency at numerous recent conferences and in several scientific reports.

INTERNATIONAL Herald Tribune

Aegean Rainmakers

Real differences over sea boundaries and oil drilling rights no doubt carried Greece and Turkey to the edge of military conflict in the Aegean. But the speed with which this storm erupted, and then evaporated, suggests that it was artificially seeded by political rainmakers. Certainly the spat has helped Prime Minister Andreas Papandreu. He roused cheers on the right by denouncing Turkey, and on the left by threatening to close down a U.S. supply depot. With this in mind, better to cast a cool eye than to jump.

A Warning Signal

On Friday, with the dollar falling on the foreign exchange markets, the Reagan administration announced that it would retaliate against Japan in a trade dispute. On Monday, when the markets reopened, the dollar dropped rapidly. So did the bond market and, most dramatically, the stock market. On Tuesday the stock market reversed itself and began to rise again. But America's biggest bank, Citicorp, raised its prime rate a quarter of a percentage point, and the dollar, although more slowly, continued to fall. What was causing this jumbled sequence, and what was the effect?

Save the Maya Sites

Mexico and Guatemala are planning a series of dams along their border that would destroy a thinly populated jungle paradise rich in Mayan ruins. If built, the dams would create a huge lake, flooding two major Maya sites, Prodas Negras and Yaxchilan. Fortunately, no bulldozers are moving yet. There is time to listen to the outraged protests of archaeologists and environmentalists.

Other Comment

Free Trade Is a Memory Any examination of the microchip skirmish between the United States and Japan must point to one depressing conclusion. Free trade is dead, at least in the sense of the 1948 General Agreement on Tariffs and Trade. Open trading can no longer be preserved. It would have to be recreated, and that is unlikely to happen. Britain, the mother of free trade, now hides behind EC protectionism. The United States, which gave free trade back in the postwar world, no longer finds it a winning formula. The future lies with those who want to manage trade: officials trained on the Common Agricultural Policy in negotiate bilateral deals with Eastern Europe, had losers across the Atlantic who want to change the rules, and MITI organizing Japanese industry to save face. Disintegration into trading blocs is only a matter of time.

Most Chileans Will Kneel Pope John Paul II arrives in Chile to find a country that is gradually moving toward the restoration of representative democracy after nearly falling into the clutches of atheistic communism. Chile became the only nation in the world to break the shackles of totalitarianism when its armed forces, formerly God-fearing populists in 1973 to overthrow Marxist Salvador Allende.

EFTA Left Out in the Cold? The continuing expansion and economic integration of the European Community poses a major challenge to the countries of the European Free Trade Association. The latter must work toward permanent integration with the Community, in spite of the difficulties this will entail. They must defend themselves against discrimination and expand constructive cooperation with the Community, and they need to be kept fully informed about EC measures affecting integration. Otherwise the EFTA partners

Why Are Tibetans Forgotten?

By John F. Avedon

WASHINGTON—On Feb. 18, two Tibetans were executed in Lhasa for "serious economic sabotage." Three more have been sentenced to die and 30 have been given terms at hard labor. Similar crimes, last mentioned in the "spiritual pollution" campaign of 1983, were the pretext for executing dozens of Tibetan dissidents and imprisoning thousands more. Tuesday was the 28th anniversary of the Dalai Lama's arrival in India, a refugee from his revolt-torn land. While he and the 100,000 compatriots who followed him into exile continue to voice Tibet's desire for freedom, their time, like that of all Tibetans, may be running out.

The Debt Crisis: Three Elements of a Settlement

By Norberto González

SANTIAGO—It is not easy to establish just who brought on the debt problem. Some blame the domestic policies of the indebted countries; others talk of bankers pushing funds on reluctant Latin American borrowers; others fault the industrialized countries, particularly the United States, for bringing a downturn in international trade and a dramatic increase in interest rates, the real detonators of the crisis. All three explanations are partially correct.



But Development Isn't Banks' Business

By William H. Wainwright

PARIS—Benjamin J. Cohen, of Tufts University's Fletcher School of Law and Diplomacy, has written on this page that the debt problem "will be solved only when bankers see the Third World debt situation for what it truly is—a long-term dilemma of economic solvency, not just a short-term liquidity squeeze." ("So Much for All That Progress on Debt," March 6.) But many bankers do see the situation that way. Many, in fact, have come to question whether the debtor countries will ever be able to generate the resources needed to repay their debt. This explains banks' reluctance to join the ill-conceived Baker plan, which calls for more lending.

A Brazil Test for the IMF's Camdessus

IN 1937, Brazil announced a moratorium and suspended debt service. All of Latin America did the same until a token and tolerable debt service was resumed much later. Must the same script be re-enacted today? The IMF needs to change its role from debt collector to evenhanded intermediary between the debtor countries and their creditors. At the same time, it needs to change the international debt process from one of collecting interest to one of providing development financing for investment and growth.

Moscow's INF Proposal Would Be a Bad Deal For the NATO Alliance

By John Deutch, Brent Scowcroft and R. James Woolsey

WASHINGTON—The Reagan administration appears to be moving rapidly toward a positive response to Mikhail Gorbachev's offer to separate negotiations on intermediate nuclear forces from those on strategic offensive and defensive weapons. This makes tactical sense, to take advantage of Mr. Gorbachev's apparent desire or need to show movement in arms control. It may also be in the administration's interest to help demonstrate that the president's recent political wounds have not impaired his ability to function. But what of the substance of the INF proposal?

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Mexico Reassures LONDON—Alfred Soan Witherbee, who has large railway, mining and industrial interests in Mexico, has received a despatch from President Francisco Madero of the Mexican Republic: "The situation here at present is that there are small bands of rebels in the southern part of the State of Puebla. These bands are made up of Zapatist guerrillas who are badly armed and constantly being pursued by the Federal forces. The State of Morales is now pacified, and all the rest of the Republic, excepting Chihuahua, is calm. I have news from Chihuahua that the rebels are short of arms and ammunition and are rapidly dispersing. The troops of General Pascual Orozco have not been able to destroy the Federals, who will soon be reinforced from Toraena. I expect very soon to control the situation completely."

1937: Pacifism Urged LONDON—"Britain should disarm, and if Hitler marched his troops into this country when we were undefended, they should be welcomed like tourists and greeted in a friendly way." So declared Bertrand Russell, writer and philosopher, in an address [on April 1] at Petersfield, Hampshire, on the practical application of pacifism. Concerning the hospitable welcome, Earl Russell explained: "If they might find some interest in our way of living." If the British government stopped arming and turned inward, this country would not be invaded and would be as safe as Denmark, according to Russell, who contended that no country ever attacked another country unless it was afraid of the other's armaments. As a step toward world peace, he proposed dismemberment of the British Empire.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1953-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor • WALTER WELLS, Editor • SAMUEL ABE, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANCIS DESMARETS, Circulation Director • ROLF D. KRANEFUHL, Advertising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92000 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication: Walker N. Thayer. Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel: 474-7768. Telex: RS56928 Managing Dir. Asia: Malcolm Glenn, 30 Gloucester Road, Hong Kong. Tel: 5-8610616. Telex: 61170 Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E. Tel: 836-8802. Telex: 2620209 Gen. Mgr. W. Germany: W. Losenbeck, Friedrichstr. 15, 10000 Frankfurt. Tel: 241 0899 756753. Telex: 416721 Pres. U.S.: Michael Gorman, 180 Third Ave., New York, N.Y. 10022. Tel: (212) 723-3890. Telex: 427175 S.A. capital of 1,200,000 F. RCS Number B 73202136. Commission Paritaire No. 61337. © 1987, International Herald Tribune. All rights reserved. ISSN: 0294-9052.

هكلامن الأشهر

OPINION

This Hired Gun Is Miscast In an Arms Control Drama

By Anthony Lewis

BOSTON — Suppose in 1972 the Nixon administration drafted, and Congress passed, a tough crime-control law. At the time and for years afterward the act was universally understood to give the police broad wiretapping authority. Then the Supreme Court held that it had deliberately been written to forbid wiretapping. How legal conservatives would denounce such a decision. "Judicial activism gone mad," Attorney General Edwin Meese might say.

But the Reagan administration is engaged now in a far more profound attempt to upset long-established legal understandings. That is the effort to reinterpret the 1972 Anti-Ballistic Missile Treaty — to turn it inside out — so that it can be said to allow development and testing of anti-missile devices in President Reagan's "star wars" program.

The ABM treaty is the major operative arms control agreement between America and the Soviet Union. Tempering with it obviously has the most serious implications for superpower relations. To me the fact that the law is being manipulated to that end is especially distressing.

Abraham Sofaer, the former federal judge who is legal adviser to the State Department, is the main source of the argument that the treaty did not, after all, outlaw "exotic" defensive weapons in space. He is still working on a final study of the issues, but in the last 18 months he has said much in favor of that permissive view of the treaty.

In the fall of 1985 he argued, in a memorandum and testimony, that what Nixon administration officials said about the treaty at the time the Senate ratified it in 1972 supported the permissive theory. This drew strong criticism from many, notably Senator Sam Nunn of Georgia.

Observe or Withdraw
SAM NUN has exposed the serious mischief of the Reagan administration's attempt to meddle with the ABM treaty. The "broad" interpretation is just another attempt to sell President Reagan's Strategic Defense Initiative. If he intends to abandon the treaty, he should resort to hypocrisy. Out in the open, he should declare his intention, give six months notice and then withdraw. This would be a proper test of his conviction.

— *The Denver Post.*

Mr. Nunn said that "a series of authoritative" statements by the Nixon administration made clear that the treaty banned development and testing of exotic missile defense technologies. The Joint Chiefs of Staff recognized that the ban was "a fundamental part of the agreement." Mr. Nunn called the Sofaer interpretation "absurd" and "fundamentally flawed."

Mr. Sofaer eventually fell back from his 1985 memorandum, saying that it had been prepared by "young lawyers" on his staff. (What an amazingly casual way for a legal adviser to give even a first opinion on a matter of such magnitude!) He now emphasizes not statements made during the ratification process but the secret record of the U.S.-Soviet negotiations that produced the treaty.

In a Senate hearing last week, Mr. Sofaer took the line that official 1972 statements about the strictness of the treaty have little weight because the Senate did not formally attach that interpretation to the text — as a condition to ratification, for example. If the senators believed it was a strict treaty, if President Nixon did, if nearly everyone has said so in the years since — all that matters less than the sporadic notes of negotiations.

Lawyers can argue that documents mean just about anything. But this is not a dispute about a bill of lading. It is a matter of high policy.

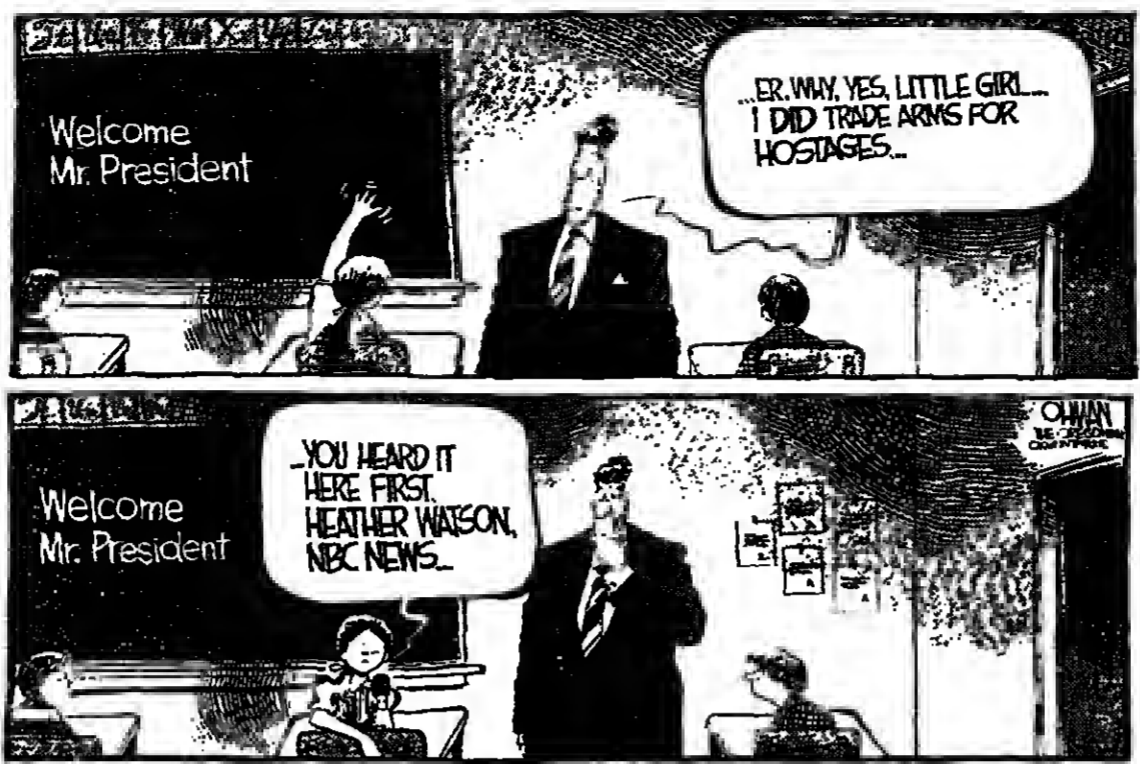
Everyone knows what the Anti-Ballistic Missile Treaty was intended to do: stop the defensive side of the strategic arms race. To adopt the permissive Sofaer interpretation would be to make a nonsense of the whole enterprise — to say that the parties meant the opposite of their undertaking "not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based."

That is why the Americans who negotiated the treaty over the years have overwhelmingly rejected the argument that it forbids development of exotic systems. Six former secretaries of defense, including Melvin Laird, who was there at the time of the treaty, reject the argument.

A personal word has to be said about Abraham Sofaer. He was an impressive judge. To talk with him is to know his superior qualities of intellect and learning. Yet as legal adviser he has taken, I think, a regrettably narrow view of his role. In supporting American withdrawal from the World Court, as on the ABM treaty and other matters, he has seemed ready to provide a legal argument to fit whatever the administration wants to do for its own political reasons.

The U.S. government is not well served by legal advice in the mode of a hired gun. It has higher interests, among them its reputation in the world and its ability to hold others to commitments. I hope Mr. Sofaer's final opinion on the ABM treaty will reflect those considerations.

— *The New York Times*



LETTERS TO THE EDITOR

Too Much News for America's Good in a Secretive World

There is an imbalance in the worldwide reporting of news. The bulk of news coverage is about the United States and comes out of the United States. American media, through countless leaks and from sources throughout the government apparatus, are able to disclose behind-the-scenes activities.

In the Middle East there is not one country that has a completely free and uncensored press, most being extensively controlled by the governments. Very little criticism is printed or aired. This, contrasted with the negative things the people hear about the United States, gives Middle Easterners a distorted picture not only of the United States but also of their own countries.

By all accounts, President Reagan's press conference on March 19 was a great success. Yet in your report "President's Performance Earns Cautious Approval" (March 21), reporters were so desperate to find some negative quotes that they had to dig up a Democrat in the Connecticut State House and a former press secretary of Lyndon Johnson.

The Washington heavyweights from both parties praised Mr. Reagan, Senator Bob Dole, Republican of Kansas, summed up my reaction to your article: "The critics who came looking for ammunition came up with blanks."

JOHN G. MCCARTHY Jr.
Geneva.

voted to attacking President Reagan — even to the point of carrying a profile of an active leftist, Howard Fast, who was quoted as assailing the president.

BEATRICE CLAUDE
Málaga, Spain.

Howard Fast was a member of the Communist Party for 13 long years, starting in 1944. His complete break came in 1956 after Khrushchev's disclosure of the horrors of the Stalinist regime. In 1957 Mr. Fast published "The Naked God: The Writer and the Communist Party," which helped answer the question: How could a thinking human being become and remain a Communist? That book ranks alongside "The God That Failed" — by Arthur Koestler, Ignazio Silone, Richard Wright, André Gide, Louis Fischer and Stephen Spender — which treats the same theme.

Mr. Fast spent time in prison for refusing to cooperate with the House committee on un-American activities. He was blacklisted. Would Bernard D. Kaplan and Thomas L. Hughes (*Letters*, March 26) now resume the punishment?

I write this as a former vice president of Praeger, which published "The Naked God." For many years we were foremost U.S. publishers of books on the faults of world communism, including — in the same year as Mr. Fast's book — "The New Class" by Milovan Djilas. (I mention this lest Messrs. Kaplan and Hughes now decide to attack me.) I am certain that Howard Fast, in word or thought, has never recanted his recantation. Just read his books.

MORTON FUNER
Saint-Tropez, France.

Your chance to win 7 free nights at a Marriott Hotel

Subscribe to the International Herald Tribune and win one week free at the Marriott Hotel of your choice in Europe and the Middle East



You can win seven nights' accommodation for two persons at any of the five-star Marriott Hotels in the heart of these cities: Amman, Amsterdam, Athens, Cairo, Jeddah, Paris, Riyadh, Vienna.

Marriott Hotels & Resorts, the Washington DC-based lodging, catering and leisure corporation, are acknowledged as one of the world leaders in service, customer care and quality. Experience the style and service of Marriott in some of the most beautiful and exciting cities in the world. Imagine staying at the Marriott Prince de Galles on Avenue George-V in Paris, or enjoying the splendours of a palace at the heart of the Cairo Marriott.

Every Marriott is fashioned to blend with the culture of which it is a part and each acts as a gateway to the city and country beyond. And all Marriott hotels give service that leaves you feeling pampered, relaxed and cared for.

Every tenth subscriber wins this package

Simply complete the coupon below and mail it to the IHT in Paris. Coupons will be placed in a special hopper and on May 22, 1987, the drawing will be held. No purchase necessary. Entry forms also available from address below. Rules available on request.

Marriott Hotels and the International Herald Tribune GUARANTEE that one coupon in every ten will win this special offer. Results will be published in the International Herald Tribune on May 25, 1987. This offer is subject to local law.

14 months for the price of 12

Every new subscriber qualifies for an extra bonus of two months' extension — absolutely free. Act now — offer expires May 19. Coupons must be returned to the IHT Paris office no later than May 21, 1987.

Conditions

Your choice of hotel is obviously subject to availability and your visit must be made between June 1 and August 31, 1987. (In Paris, this offer will be available only for July and August.) The offer is for a single or double room for seven consecutive nights for two persons maximum. Remember, you will always be a winner when you stay at a Marriott hotel, even if you don't win this time.

For reservations call:
 London: (01) 439 0281
 France: 19 05 90 8333 (toll free)
 Germany: 0130 4422 (toll free)
 Holland: 06 022 0122 (toll free)
 Sydney: (02) 235 1111
 Vienna: (0222) 51518-0
 Switzerland: 046 05 0122 (toll free)
 USA & Canada: 1 800 228 9290 (toll free)

To: Subscription Manager, International Herald Tribune, 181, avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Please enter my subscription for:

- 12 months (+ 2 months free)
- 6 months (+ 1 month free)
- 3 months (+ 2 weeks free)
- My check is enclosed

And enter my name in the Marriott draw.

Please charge my:

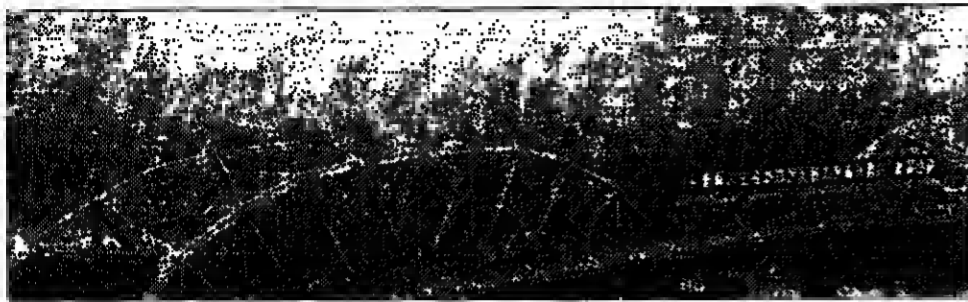
- Access American Express
- Diners Club Eurocard
- Mastercard Visa

Country	Currency	1 year	6 mos.	3 mos.
Austria	S.	4,800	2,600	1,450
Belgium	B.F.	11,000	6,000	3,200
Denmark	D.K.	2,500	1,400	770
Finland	F.M.	1,700	950	500
France	F.F.	1,500	800	450
Germany	D.M.	380	200	175
Great Britain	£	130	72	40
Greece	Dr.	22,000	12,000	6,000
Ireland	I.R.	150	82	45
Italy	Lira	380,000	210,000	115,000
Luxembourg	F.	11,000	6,000	3,400
Netherlands	F.	600	300	190
Norway	N.K.G.	1,800	990	540
Portugal	Esc.	22,000	12,000	6,000
Spain	Pes.	29,000	16,000	8,800
Sweden	S.Kr.	1,800	990	540
Switzerland	S.F.	510	280	154
Rest of Europe, North Africa, former French Africa, Middle East	\$	430	220	125
Rest of Africa, Gulf States, Asia	\$	500	250	175

Signature _____
 Card expiry date _____
 Card account number _____
 Name _____
 Address _____
 City _____ Country _____

2-4-87 MAR

MEGA-ECONOMY IN THE MAKING GUANGZHOU



Modernization slogans grace the Pearl River bridge in Guangzhou.

GUANGZHOU (long known by the Anglized name of Canton) is the largest city in southern China, and the political, economic and cultural center of Guangdong province. The Cantonese people have migrated over a long period to many parts of the earth, and their dialect is therefore the most commonly spoken form of Chinese abroad, in the "Chinatowns" of a dozen nations.

The people are farmers and traders at home, but have done whatever work was available when they migrated — built railways, run restaurants and laundries, dug for gold, operated informal banking systems, etc. And what the West thinks of as "Chinese food" is in fact chiefly Cantonese cuisine, only one of many in China.

Even during the Mao period of economic autarky, Guangzhou retained many links with the outside world through neighboring Hong Kong and Macao, the British and Portuguese enclaves. Indeed, both these places continued to depend vitally on the Guangdong Province for their food and even a part of their water supply. The city has also maintained its famous spring and

autumn export commodities fairs for over 30 years, attracting thousands of businessmen from all over the world.

The open-door policy now adopted in China has given Guangzhou the opportunity to take advantage of its strategic situation in foreign trading, as it stands at the apex of a triangle whose base extends from Hainan Island in the west to the borders of Fujian Province in the east, and it draws on a large area for resources.

Inland from Hong Kong and Macao, two big special trading zones have been established which strengthen Guangzhou's modernization and communications.

Mr. Zhu Senlin, mayor of the city, has a scenario for a "super-city" of administrative and industrial strength, based on the considerable natural resources of the Pearl River and its hinterland, taking advantage of the financial and commercial experience of Hong Kong and Macao. Fertile plains and an abundant labor force are the sound economic base on which Guangzhou can draw.

In 1986, the city's total export volume reached U.S. \$570 million, an increase of 59.8 per-

cent over that of 1985, and an all-time record. Guangzhou has established direct trading relationships with more than 140 countries and regions.

In addition to an array of trading corporations, the city has its own packaging and advertising corporation. The trading corporations are also in-

involved in compensation trade and joint ventures. Under the policy of China, these corporations have been given the flexibility of establishing business relationships around the world.

Guangzhou is mounting three overseas trade fairs this year, following its Export Commodities Fair in New York last September. There will be an Export Commodities Sales Exhibition in Singapore June 11-19, a similar exhibition in Oklahoma City in July, and exhibitions in Hamburg in September. This year, too, the city inaugurates a new spacious trade fair complex on the original site with the latest in technology.

The Battery Giant

When you see the name "Guangzhou Battery Industrial Company," something might seem unusual. There's that word "Company," for instance; it sounds like a private business, amid all the "Corporations" and ministerial bodies that foreign traders meet today.

This company began way back in 1928 under a similar title, in a village not far from Guangzhou city, and it was privately owned. After 1949, the government transformed the plant into a state-owned enterprise by paying off the original owner who moved to Hong Kong.

The plant was then moved to Guangzhou. Over the past 30 years, output value has vastly increased and the plant is

now the largest battery factory in China, taking up an area of 45,300 square meters. It has become world-famous, producing 43 varieties of dry cell; among its brands are names such as "555," "Five Ram" and "Tiger-Head," sold to over 70 countries and regions — the United States, Britain, Canada, Pakistan, Bangladesh, Panama, Hong Kong, etc.

With a staff of over 2,900 workers, the plant operates through 11 production divisions, with a total of 18 production lines. Recently, to improve and guarantee quality, the management imported new equipment from overseas. Total production has been running at over 356 million batteries, 30 percent of which are exported.

Temptations in Jade

When the visitor mounts the stairs of the office of the Guangzhou branch of the China National Arts and Crafts Import and Exports Corporation, the environment is merely plain, workaday. But when he enters the door of the showroom, the effect is quite simply overwhelming. He is seated at a priceless inlaid blackwood table, on carved blackwood chair. Nearby is a startling jade carving — an antique sailing ship, complete with tiny crew inside and outside the vessel, all from one enormous piece of the translucent stone. But that artifact is only one of many which this trading unit deals in.

The branch operates through seven divisions:

1. Special Techniques I: jade carving, ivory carving, Chinese paintings, silk screens, gold and silver ornaments.
2. Special Techniques II: clothing and shoes, including bags, belts, jackets, sweaters and hats — and traditional Chinese stage costumes.
3. Artifacts I: artistic umbrellas and parasols, wooden items, copper items and decorative pottery and porcelain.
4. Artifacts II: practical pottery — tea and dinner sets, coffee sets, and made-to-order porcelain.
5. Furniture: inlaid and carved special woods (blackwood, mahoganies and teaks), or ordinary wooden pieces, and steel items.

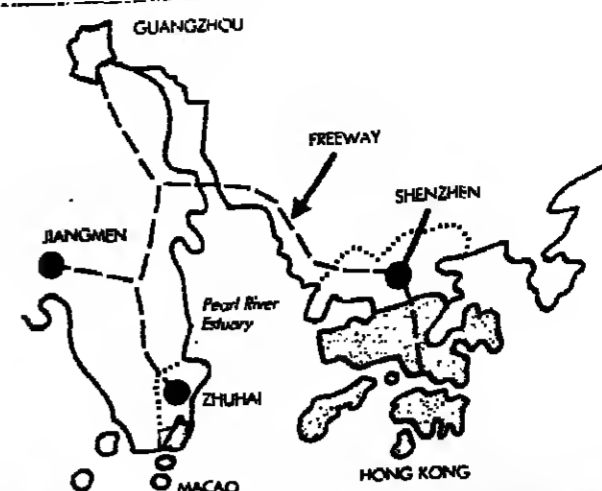
6. Flowers: artificial, made of silk, polyester or paper.

7. Miscellaneous: toys, lighting appliances and one or two other light industrial goods.

The branch is served by nearly 300 factories, only 20 of which are fully owned by the Corporation; the rest are suppliers who draw on the centuries-old tradition of Chinese arts and crafts. Guangdong Province has long been a prime source of these articles, from the days when Guangzhou (under the old name of Canton) was the main calling port for European traders.

"There are actually fashions in our goods," says Mr. Wu Ze Song, vice-chief of the Business Section. "At the moment, our big seller on the garment side is the beaded garment. It seems that in Western societies people have come to want a little glitter in their lives." But there is a steady (and growing) demand in the West for brilliance and "oriental" style in many articles; people are recalling the high quality and the sheer exuberance of Chinese carpets, decorations, dressing gowns, fans, furniture, porcelain.

Guangzhou's arts and crafts exports represented about U.S. \$60 million last year, nearly half of the total exports of this kind from China. Total sales were up by about 40 percent from 1985 and, according to the Guangzhou management, it looks as if they will be up by an even bigger percentage this year.



WITH the opening of China to world trade and finance, Guangzhou can be developed into a "mega-economy," with Macao and Hong Kong as the powerhouses for commercial activity, communications and tourism, and the Guangdong provincial hinterland as the productive base. Shenzhen and Zhuhai are "special economic zones" with investment and export incentives to offer. In construction is a multi-lane freeway connecting the points of the triangle; the Jiangmen spur points towards Hainan Island and China's southwest. Air and sea cargo facilities are expanding. The high growth potential of this region is now enormous.

A Modern Manager

Mr. Zhang Shu Mo, vice director and spokesman for the Guangzhou branch of the China National Textiles Import and Export Corporation, is keen and young and energetic. In his early 40s, he is a member of the new breed of managers which have been thrown up by the "responsibility system," China's liberalization of planning and trading. Before, central planning decided closely what farms and factories should produce, and how it should be distributed; today, within certain limits of finance and investment, managers of plants and even individual farmers are given room to maneuver, once they have satisfied certain state quotas or norms.

Mr. Zhang has been with the Guangzhou branch for over five years — in other words, the whole of the new "modernization drive" period. Guangzhou has now entered a new phase, that of one of the 14 coastal cities with even more economic independence.

"We have over 300 factories in the textiles and garments industry in Guangzhou," he says. Export products are mainly knitwear and knit yarn; cotton yarn; cotton cloth; ramie-cotton interwoven cloth; chemical fiber-blended textiles, garments and other products; and polyester-cotton fabrics for men, women and children. Cotton, polyester-cotton, spun rayon, wool, acrylic and blended woolen goods are also available.

The "home textiles" category includes bedspreads, quilts, blankets and other bed-linens, sewing threads, yarn, etc. And there is toweling of all kinds — bath towels, face towels, bathrobes.

Knitwear stands at the top of the sales volume. "In 1986 we hit the peak of U.S. \$30 million. Sales to the United States, Canada, Japan and the Common Market rose 56 percent over 1985," says Zhang.

Zhang reveals just how far the spirit of enterprise has entered into the Chinese economy these days when he says: "We compete with Beijing, Shanghai and Tianjin. The quality of work here in Guangzhou is better and so our sales volumes are much higher — they come to buy from us!"

Guangzhou's main market is the United States in terms of volume; however, it is limited by the quota system. Logically enough, the branch makes the best of the quotas by improving quality: "We now try to offer more competitive prices for better quality goods and less volume."

The search for new markets goes on unremittingly, Zhang says. "We are looking at Japan and Australia, where we have sent teams to look into the possibilities. We know that the Japanese market is very competitive — quality control is very strict and there are many restrictions, but we are willing to meet this challenge. We are looking into developing this market in a big way." The branch participates in leading trade fairs, especially in the United States, Germany and Japan.

As for designs, the branch always welcomes visits from foreign clients with their own innovative ideas. "I should say that of our total output, 50 percent are customers' designs and 50 percent our own."

Another challenge to any textile-garment organization today is adapting to the seasonal and stylistic vagaries involved in world trading. Zhang is very aware of this, but points out that, with the wide range of products which the branch offers, shipments are made year-round to different destinations.

"We have been able to balance our deliveries year-round with all our clients worldwide, and our delivery record is very good — we are always on time!"

Exotic Fare

How do you send a living bonsai across the world? These ingenious miniature trees are wrapped in wet moss and must not travel for more than 20 days. And what about sending goldfish, flowers, birds, insects? Ask Mr. Huang Li Chang, head of the Guangzhou Native Produce branch of one of China's trading corporations. A jolly man in his fifties, he has been with the corporation for over 10 years, and what he does not know about such exotic fare is probably not worth knowing.

The list of the products he can offer is replete with romance, even mystery; it includes spices, sesame oil, ramie,

synthetic camphor, dried fruits, red and white melon seeds, dried and salted vegetables, cassava chips, jute, canned water chestnuts, dogbane, flax and related products, bamboo and rattan, mosquito-repellent incense, carpets, tea, candles, and all those flowers, birds, insects and fishes.

Huang works through several sub-branches throughout Guangdong Province, gathering and processing this fascinating collection of products, of which the province has long been China's premier source, going back through past centuries of trading.

FASHIONS FOR ALL AGES



We like to think we know what buyers want in regard to style, cut, colors and fabrics. That's why our range of garments for men, women and children are proving so popular around the world. And that's why our regular buyers come back to us time after

time. Why not join them and increase your share of this profitable market? In addition to our own fashionable designs, we also produce to buyers' exclusive specifications. Contact us now for full details.



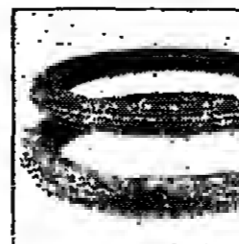
CHINA NATIONAL TEXTILES IMPORT & EXPORT CORPORATION
GUANGZHOU BRANCH
Office: 23 Xian Lie Nan Road, Guangzhou, China. Tel.: 776920
Cable Address: KWANGTEX Telex: 44452 GZTEX CN

Three Hot Sellers From Guangzhou



Magnetic Materials

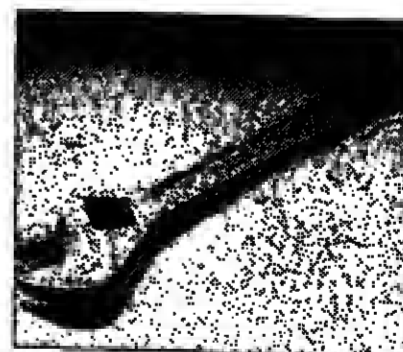
Handled by China National Chemicals Import & Export Corporation, Guangzhou Branch, these magnetic materials can be used in the manufacturing of normal audio cassettes, tapes, magnetic tickets, audio cassette tapes, low noise-high density audio cassette tapes, high mol (333 Hz) audio cassettes, professional video tapes, high mol (33 Hz) audio tapes, duplicator tapes and VHS video tapes.



Motorcycle Tyres

Another high-quality product from Guangzhou Chemical I/E Corp. is "Diamond" brand motorcycle tyres. Their eye-catching design, unique styling, small section, light weight, super loading strength, all

combine together to give the rider a comfortable ride. Both the front and rear tyres have these specifications: 2.25-17, 2.50-17, 2.50-18. Also available are rear tyres in 2.75-18, 300-17 and 300-18. They all have suitable inner tubes.



Hand Tools

Excellent, high quality hand tools such as spanners, hammers, grinding tools, cutting tools, measuring tools and wood working tools, are all handled by China National Machinery Import & Export Corp. Guangzhou Branch. On-time delivery is guaranteed and business inquiries are most welcome.

Inquiries from customers world wide are welcome to contact:
China National Chemical Import & Export Corporation,
Guangzhou Branch.
Address: 7-8th Floor, 255 Dong Feng Road West, Guangzhou, China.
Tel.: 335249, 332910, 334619 & 336337 Telex: 44762 GZCMC CN or 44280
GZFTC CN Cable: "CHEMICHOW" GUANGZHOU

China National Machinery Import & Export Corporation, Guangzhou Branch.
Address: 6-7th Floor, 255 Dong Feng Road West, Guangzhou, China.
Tel.: 343954 Telex: 44762 GZCMC CN
Cable: "MACHINCHOW" GUANGZHOU

3 P.M. NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE 3 P.M. volume, NYSE new issues, etc.

NYSE Index table with columns for Previous, Today, 3 P.M.

Wednesday's NYSE 3pm logo with 'Via The Associated Press' text.

Previous AMEX Diaries table with columns for Advanced, Declined, Unchanged, etc.

NASDAQ Index table with columns for Week, Year, Class 2 P.M., etc.

3 P.M. AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

Previous NYSE Diaries table with columns for Declined, Advanced, Unchanged, etc.

Odd-Lot Trading in N.Y. table with columns for Date, Buy, Sell, % of 100.

Dow Jones Averages table with columns for Industrials, Transp., Utilities, Finance, Composite.

Standard & Poor's Index table with columns for High, Low, Close, Today 3 P.M.

Previous NASDAQ Diary table with columns for Declined, Advanced, Unchanged, etc.

AMEX Stock Index table with columns for Previous, Today 3 P.M., High, Low, Close.

To Our Readers

Because of the seven-hour time difference between New York and Paris until April 5, the New York and American Stock Exchange tables in this edition contain information from 3 P.M. New York time. Over the Counter stock prices are from 2 P.M. New York time. U.S. Futures prices and some other items are from the previous day's trading.

Prime Rate Increase Hits NYSE

NEW YORK — Prices on the New York Stock Exchange slipped Wednesday in active early trading, after major U.S. banks announced the first increase in the prime lending rate in nearly three years.

Investors proceeded cautiously in a volatile market that analysts characterized as jittery and choppy by participants.

At 2 P.M., the Dow Jones industrial average was down 8.67 points to 2,296.02, after rising 26.28 points Tuesday.

But steeper earlier losses were trimmed as the market digested the news that large U.S. banks had raised their prime interest rates to 7 1/2 percent from 7 percent.

The New York Stock Exchange index was down 0.91 point to 164.98.

Volume totaled about 131.39 million shares at 2 P.M., up from 120.67 million in the same period Tuesday. Declines led advances by an 11-3 ratio.

Traders said the surprise moves by the money-center banks surprised but did not overwhelm the market. Interest rates on some business and an increasing number of consumer loans are calculated by adding percentage points to the prime.

"The market slipped on the prime rate, but there are a couple of other factors now that people will pay attention to," said Gerald Simmons, managing director in the listed trading department at Smith Barney, Harris Upham & Co.

"Number one: This is the start of a new quarter and new trading strategies will be put into place. Number two: Corporate earnings will start to come out."

Mr. Simmons said the stock market remained "nervous and jittery" after the substantial selloffs Friday and Monday, but he said that futures-related sell programs that emerged early in Wednesday's session had tapered off.

"A lot of people are still sitting on the sidelines waiting to see what happens," Mr. Simmons said.

Jim Andrews, head of institutional trading at Janney Montgomery Scott Inc. in Philadelphia, said recent retreats in the Dow have made stocks more attractive.

"That was quite evident yesterday," he said, as the money coming into the market helped it rebound. "At this point, the value in the marketplace is beginning to be seen, and the dollars are there."

After its initial negative reaction, the market stopped worrying about the interest rate news, Mr. Andrews said.

"It was not a non-event — it was a blip," he said, adding the news was likely to leave the market "a little choppy. But I believe we've seen the lows, and further retreats in prices now will create buying opportunities" that will be stepped up.

"The rally [since January] was not interest-rate dependent," Mr. Andrews added.

Prices were also lower in moderate trading on the American Stock Exchange.

Table A: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table B: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table C: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table D: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table E: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table F: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table G: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

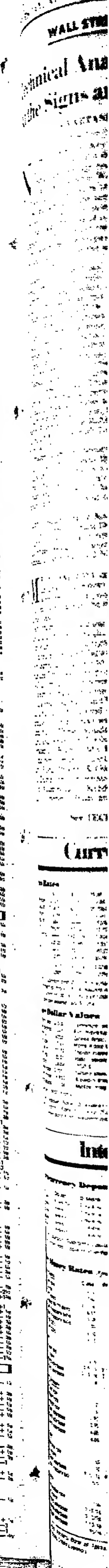
Table H: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table I: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table J: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table K: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.

Table L: 12 Month High/Low Stock, Div. Yld. PE, 52 Wk High/Low, 3 P.M. Last, Chg.



Handwritten Arabic text at the bottom of the page.

FROM STORING INFORMATION...

Technical Analysts Look At the Signs and See 2,500

By VARTANIG G. VARTAN
NEW YORK — Any time the stock market takes a terrific jolt... as it did Monday with the Dow Jones industrial average plunging 57.39 points...

"Complacency had built up prior to Monday's big drop, and we were ripe for a punch in the nose."

A random survey on Tuesday turned up a rather surprising unanimity on what technical analysts envisage as this year's high mark for the Dow, namely a target of about 2,500...

At Prudential-Bache Securities, Joseph A. Feshbach's target is also 2,500, and he expects that to be reached by June 30. One indicator that he views as a clue to the next rally is the rising volume of put options...

Ralph J. Acampora of Kidder, Peabody & Co. has raised his sights, too, for the ultimate Dow target this year, to between 2,450 and 2,500...

MR. ACAMPORA said, "A lot of complacency had built up among investors prior to Monday's big drop, and we were ripe for a punch in the nose..."

"Any reaction in coming weeks should be contained between 2,200 and 2,180. You might get that with a further decline in the dollar or any additional sign of escalating trade tensions between the United States and Japan..."

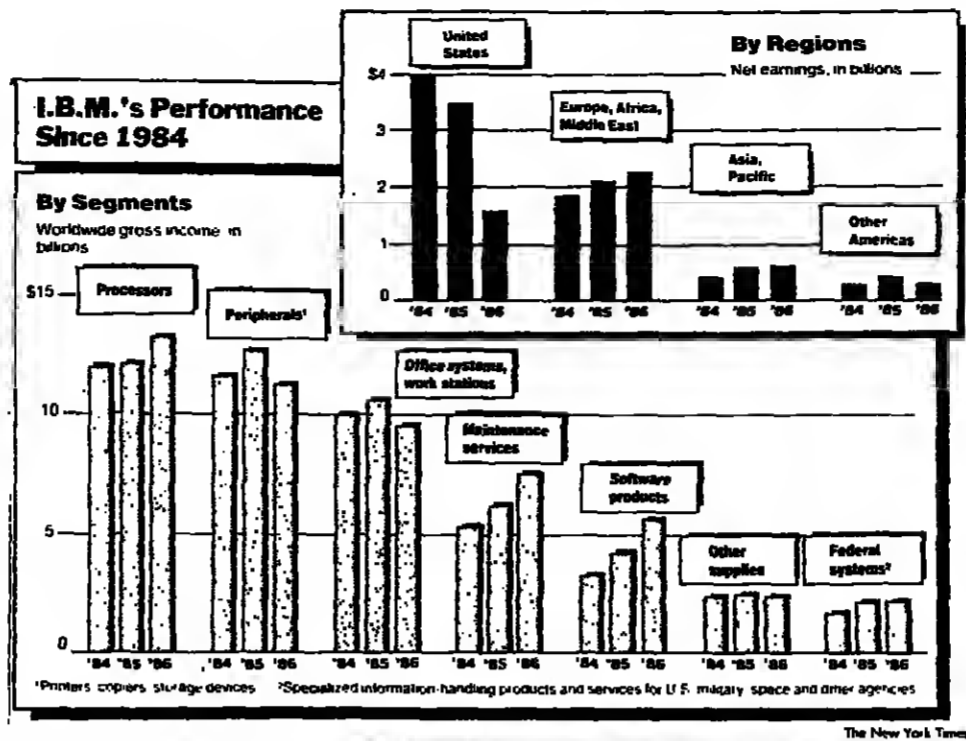
See TECHNICIANS, Page 13

The Empire Bytes Back: IBM's 2-Pronged Attack

Computer Giant Re-Arms Against Clones and VAX

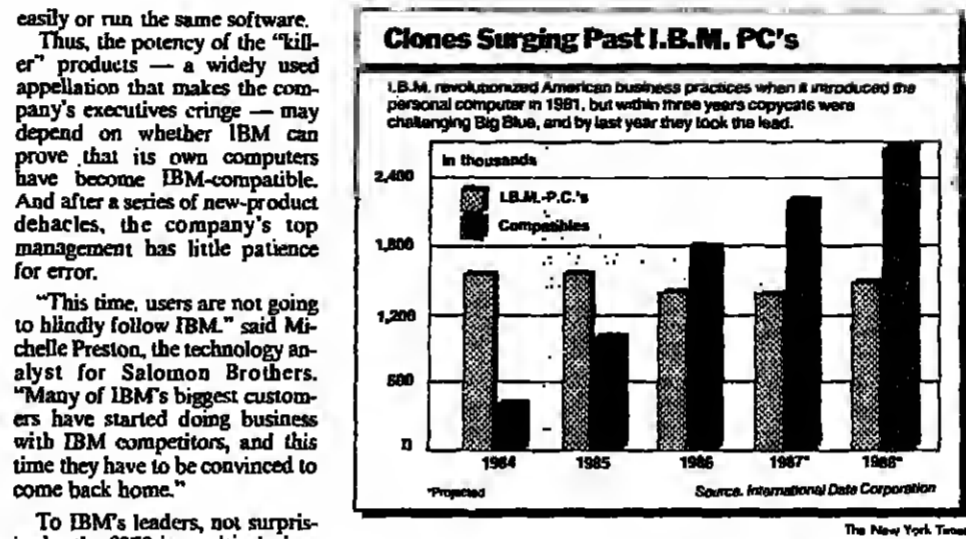
By David E. Sanger
NEW YORK — This is killer week at International Business Machines Corp. In the offices of some of IBM's biggest customers...

IBM promotes its European chairman. Page 15.



I.B.M.'s Performance Since 1984. The New York Times

of thousands of computer dealers, software authors, financial analysts and reporters, IBM will finally introduce one of its worst-kept corporate secrets: the long-awaited new generation of personal computers that many call the computer giant's "clone killers..."



Clones Surging Past I.B.M. PC's. The New York Times

More U.S. Banks Raise Prime Rate to 7.75%

The Associated Press
NEW YORK — Major U.S. banks Wednesday joined Citibank in raising their prime lending rate by one-quarter point to 7.75 percent...

The prime rate, used as a base to set interest rates on a variety of corporate and consumer loans, had stood at 7.5 percent since Aug. 26, when it was cut from 8 percent...

lizing the battered dollar, thus limiting chances of renewed inflation. A lower dollar, while making U.S. exports cheaper, also pushes up the price of imports...

The dollar was stronger in dull European trading. Page 15.

IMF's Growth Forecast For West Drops to 2.5%

WASHINGTON — The International Monetary Fund now predicts that the economies of the major industrial nations will grow a sluggish 2.5 percent in 1987...

come under heavy selling pressure as markets have begun to doubt that Bonn and Tokyo will take early action.

Commerzbank Profit Rose to Record in 1986

By Ferdinand Protzman
International Herald Tribune

FRANKFURT — Commerzbank AG said Wednesday that group and parent bank operating profit rose to record levels in 1986 for the second consecutive year...

While West German banks do not release their operating profit, Mr. Seipp has said that 1985 group operating profit was around 1.5 billion Deutsche marks (\$83 million at current exchange rates)...

Operating profit of West German banks consists of earnings from lending, commission and fee income and profit from trading on the bank's own account.

enormously successful System370 mainframes that are still the heart of IBM's product line. Thus, it is familiar to companies that are looking for a computer that can serve small departments...

Citibank had a loss of 480 million rupiah and lost its place as the largest foreign bank in terms of assets to the Bank of Tokyo, the report said.

Perbancas said the overall profits of all 112 banks in Indonesia, including the 11 foreign banks, rose by 28.6 percent in rupiah terms to 495 billion rupiah. But profits fell by 13 percent in dollar terms.

The economy stagnated or possibly contracted last year after a plunge in world prices for oil, Indonesia's main export.

Currency Rates

Table with columns for Country, Currency, and Rate as of April 1. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, etc.

Other Dollar Values

Table listing various dollar values for different currencies and commodities as of April 1.

Profits of 11 Foreign Banks Dropped 83% in Indonesia

Agence France-Press
JAKARTA — The combined rupiah earnings for 11 foreign banks in Indonesia were reduced by 83 percent in 1986 and 3 banks reported losses as the economy had its worst downturn in 20 years...

Interest Rates

Table showing Eurocurrency Deposits (1 month, 3 months, 6 months) and other rates as of April 1.

Key Money Rates April 1

Table showing money rates for various banks and instruments as of April 1.

Advertisement for CORUM watch featuring a large image of a watch and text: 'CORUM The Romulus. An exclusive creation of watchmaking art. In London. Asprey. 165-169 New Bond Street London W1Y 0AR'

Advertisement for KONINKLIJKE NEDLLOYD GROEP N.V. (Rotterdam, The Netherlands) offering 'Dfls 150,000,000 6 1/2% Dual Currency (Dfls/US\$) Bonds 1987 due 1992' and listing participating banks like Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., etc.

Asian Dollar Deposits April 1

Table showing Asian dollar deposits for various banks and terms as of April 1.

U.S. Money Market Funds March 31

Table showing U.S. money market funds performance as of March 31.

Gold April 1

Table showing gold prices for various locations as of April 1.

Source: Reuters, Bank of Tokyo, Commerzbank, Citibank, Deutscher Kreditbank, etc.

BUSINESS ROUNDUP

Sweden's Boliden to Buy Allis Machinery Units

By Juris Kaza
Special to the Herald Tribune
STOCKHOLM — Boliden AB said Wednesday that it had agreed to acquire the mining machinery business of financially troubled Allis-Chalmers Corp. for 600 million kronor (\$95 million).

estimated 50 percent of Allis-Chalmers' sales last year.
Boliden said the acquisition would boost its sales by 1.8 billion kronor a year while adding 4,300 employees to its payroll.

GM Receives Canadian Loan, Promises Not to Close Plant

By John F. Burns
New York Times Service
TORONTO — In a move likely to stir opposition in the United States, General Motors of Canada Ltd. has received an interest-free

220 million Canadian dollar (\$167 million) loan from the governments of Canada and Quebec in return for guaranteeing the continued operation of an auto plant.

Ajnomoto Buys CPC Asian Stake At \$340 Million

Retreaters
ENGLEWOOD CLIFFS, New Jersey — CPC International Inc., the U.S. foods group, said Wednesday that it had agreed in principle to sell interests in its grocery products operations in Asia to Ajinomoto Co. for \$340 million.

The 30-year loan came despite a U.S. warning last year that any assistance from the two governments could be construed as an unfair subsidy subject to action under U.S. fair-trade laws.

The operations are in Hong Kong, Malaysia, the Philippines, Singapore, Taiwan and Thailand.

The Japanese food concern will also get full equity control of a joint venture in Japan.
CPC said the restructuring, along with the sale of its European corn wet-milling business, would boost 1987 earnings per share substantially more than the previously estimated 20 percent over the \$2.30 in 1986.

O'Connor Rejects Injunction, Lets Delta Merger Proceed

Reuters
WASHINGTON — Supreme Court Justice Sandra Day O'Connor has allowed the final steps of the \$860 million merger of Delta Airlines Inc. and Western Airlines to proceed on schedule, just hours after a San Francisco appeals court blocked the consolidation.

Justice O'Connor overturned the appellate injunction without comment late Tuesday, allowing the merger to become final on Wednesday, with the Western name disappearing into the Delta logo.

A three-judge panel of the federal 9th Circuit Court of Appeals had blocked the consolidation until a dispute over union representation could be settled by arbitration.

Shandwick Pays \$15 Million To Acquire Rogers & Cowan

Compiled by Our Staff From Dispatches
LOS ANGELES — Shandwick PLC, Britain's largest public relations operation, has bought Rogers & Cowan, the fifth largest independent U.S. public relations company, for an estimated \$15 million.

A managed investment in international trade

Investing in shipping containers which are leased to major shipping lines is a profitable business

In addition to its own fleet, the Transeo Group of Companies manage container leasing operations on behalf of over 2000 private investors on an international basis.

For full details, without obligation, and our new colour brochure please contact:
TEM
Trans Container Marketing AG



COMPANY NOTES

BSN, the French food and beverage group, said it had bought control of the Italian pasta producer Mantovano, making it the second largest pasta company in Italy.
First City Bancorp of Texas, which had losses of \$402 million in 1986, has received a qualified opinion from its auditor, Arthur Andersen & Co., for 1986 financial statements.

ITT Corp said it had received the final \$400 million payment for its telecommunications joint venture with Alcatel NV, setting all accounts in the venture.
Mitsubishi Heavy Industries Ltd. and C. Itoh & Co. said they would sell their 65 percent stake in Indonesia's PT Triguna Utama Machinery Industries to Caterpillar Tractor Co. for an undisclosed price.

Toshiba to Enter Communications Market in U.K.

Reuters
LONDON — Toshiba Information Systems (U.K.) Ltd., a unit of Toshiba Corp., said Wednesday that it planned to enter Britain's business facsimile and telephone market, and forecast sales of £100 million (\$160 million) by 1990.

TECHNICIANS: 2,500 Ahead

(Continued from first finance page)
include Champion International, James River, General Motors, Johnson & Johnson, Warner-Lambert, Union Pacific, Burlington Northern, Procter & Gamble, Colgate-Palmolive and IBM.

F.I.F. INTERNATIONAL

A DIVERSIFIED LUXEMBOURG MUTUAL FUND

NOTICE TO SHAREHOLDERS

ISSUE OF INCOME SHARES
The management company's Board of Directors has decided to divide the shares into two classes, A and B. Annual dividends will be paid on the class A shares, while the income accruing to the class B shares will be capitalized.

ADVERTISEMENT MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.

The undersigned announces that as from 27th April 1987 at Kas-Associatie N.V., Spuiterij 172, Amsterdam, 400,000 shares of the CDRs Ingemans-Rand Company, each representing 5 shares, will be payable with Dfls. 5.67 net (div. per record-date 19.02.1987; gross \$-66 psh.) after deduction of 15% USA-tax = \$-4875 = Dfls. 1.- per CDR. Div. eps. belonging to non-residents of the Netherlands will be paid after deduction of an additional 15% USA-tax (= \$-4875 = Dfls. 1.-) with Dfls. 4.67 net.

NOTICE OF PREPAYMENT BANQUE NATIONALE DE PARIS

Notice is hereby given that, in accordance with close "Redemption" of the general provisions of the bonds, Banque Nationale de Paris will prepare all general provisions of the bonds, Banque Nationale de Paris principal amount on May 6, 1987 when interest on the bonds will cease to accrue.

Advertisement for Banque Indosuez, featuring the company logo and contact information for various branches.

Advertisement for THE NIKKO GROWTH PACKAGE FUND SICAV, including details on dividend distribution and shareholder meetings.

Advertisement for PAREUROPE MANAGEMENT COMPANY S.A., including a notice to participants and details on investment options and company information.

Large advertisement for Fidelity Investments, titled 'ATTENTION U.S. INVESTORS!', promoting individual retirement accounts available from Fidelity in London. It includes contact information and a coupon for requesting a fact kit.

Wednesdays MEX 3pm Via The Associated Press

Table of stock market data for Mexico, including columns for High, Low, Open, Close, and various stock symbols.

Table of stock market data for various international markets, including columns for High, Low, Open, Close, and various stock symbols.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 1st April 1987

Table listing various international funds with columns for fund name, currency, and other details.

Floating-Rate Notes

Table of floating-rate notes with columns for currency, rate, and other details.

MIM BRITANNIA OKASAN GLOBAL STRATEGY FUND

Notice of Annual General Meeting of Shareholders of MIM Britannia Okasan Global Strategy Fund, including details of the meeting and shareholder information.

Vertical advertisements on the right margin, including 'CURRENCY M...', 'Dollar Fir...', 'HIPS: I.A...', 'Wednesdays OTC', and 'Weekly net asset value Tokyo Pacific Holdings N.Y.'.

CURRENCY MARKETS

Dollar Firms in Listless Trading

LONDON — The dollar strengthened to dull European trading Wednesday as an overnight rally in the Far East left bears shy of the market. At the same time, only a few dealers were persuaded to actively buy the U.S. currency.

London Dollar Rates table with columns for currency, rate, and source.

est rates to 7.75 percent from 7.5 percent. Dealers said the market was waiting for further congressional testimony from the U.S. Treasury secretary, James A. Baker 3d, to give a clue about the Reagan administration's current stance on exchange rates.

Baker Sheds No Light on Dollar's Path

By Hobart Rowen, Washington Post Service. WASHINGTON — Questions remain about the durability of the currency stability agreement reached last month in Paris by six leading industrial nations, despite Treasury Secretary James A. Baker 3d's renewed commitment to the pact this week.

IBM Promotes Its European Chief, Cassani

By Arthur Higbee, International Business Machines Corp. Cassani, chairman of IBM Europe, to executive vice president in charge of all foreign development, manufacturing and sales and most U.S. domestic sales.

financial report in the past two years. Mr. Cassani will be succeeded in the division by his current deputy, C. Michael Armstrong. In 1983 Mr. Armstrong, 48, took over the personal computer group, then became director general of IBM Europe last year.

director of its subsidiary Morgan Bank Nederland NV in Amsterdam, as senior vice president. All three will remain in their present posts, as will Bruno R. Lang, 34, Swiss head of the treasury services group in Zurich, who has been promoted to vice president.

To Our Readers Please send information about management changes to: Business People International Herald Tribune 181 av. Charles de Gaulle France or: Telex 612-71B Fax 4637-9370

CHIPS: U.K. Warns Japan on Trade; Talks Set in U.S.

(Continued from Page 1) a license to operate as an alternative international telephone service in Japan. The official said possible retaliation might come in three areas: 1. In the financial services field, where the government has the power to revoke banking licenses of Japanese firms.

Financial Services Act — to revoke the licenses of Japanese financial service companies operating here. If British firms are not allowed to operate freely in Japan, the British trade official said. But the official cautioned that any retaliatory measures would be deferred until the Japanese government clarifies its position on the Cable & Wireless case.

IBM: The Empire Bytes Back Against Clones, VAX to Regain Market Share

(Continued from first finance page) IBM's problem lies in the fact that sales of midrange computers, often used to facilitate communications or to PCs together, are growing far faster than sales of mainframes or personal computers. And in the absence of effective IBM networking systems to link

entation to the System/370 architecture, like Aetna or United Airlines or Ford, have all applauded it," said W.H. McCaban, the group director of midrange systems management for IBM. Already IBM has received "thousands of orders" for the machine, Mr. McCaban said.

out that the new IBM initiative is a statement of direction, not a product. "We are shipping today the products that IBM is saying will follow soon," said Henry Ancona, Digital's vice president of business and office information systems. To combat such claims, IBM is

Chip, back to the development laboratory. Most analysis guess this will be accomplished by filling the guts of the PC with proprietary IBM circuitry, far harder to copy than the off-the-shelf components used for the first generation. But its second goal is to enhance the connectivity of the PC to a range of other IBM equipment.

That will be far more difficult. As originally designed, the PC was not intended to be an integral part of IBM's office systems. And bringing it into line — along with increasing its capabilities — seems certain to mean that programs written for the new generation will not run on the old. Most experts and dealers, however, believe that programs that ran on the older models will also run on the new.

Wednesday's OTC Prices NASDAQ prices as of 2 p.m. New York time. Via The Associated Press.

Table A: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ADG, ADI, ADP, etc.

Table B: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like AET, AIG, AIZ, etc.

Table C: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ALC, ALD, ALG, etc.

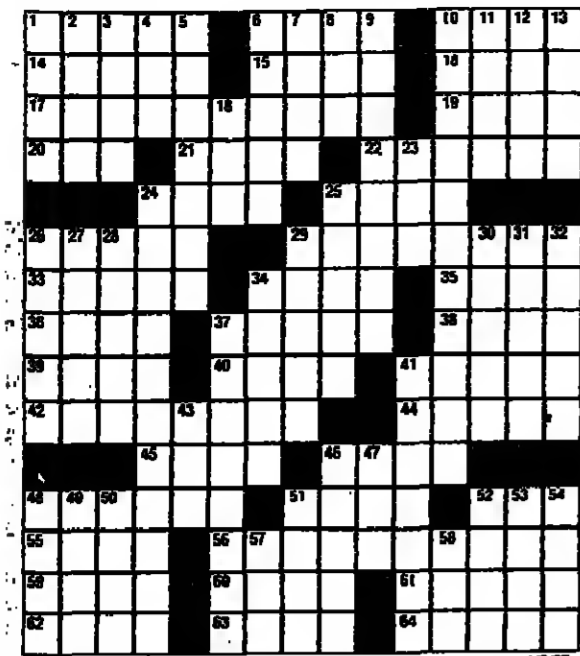
Table D: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ALI, ALJ, ALK, etc.

Table E: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ALM, ALN, ALO, etc.

Table F: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ALP, ALQ, ALR, etc.

Table G: 12 Month High Low Stock Div. Yld. % High Low 2 P.A. CHG. Includes stocks like ALS, ALU, ALV, etc.

Sweden to Raise Tax on Gasoline And Oil to Boost Military Budget. STOCKHOLM — Sweden said Wednesday that it will raise taxes on gasoline and heating oil beginning July 1 to help finance a 1.7 percent increase in military spending over the next five years.



ACROSS
1 Main artery
6 Boleyn
10 Military group
14 Abolitionist martyr
15 Nun or spar
16 Like the Texas star
17 Statesman
18 1898-1924
19 Galba's garb
20 College activist org.
21 Seek a companion
22 Slave leader: 1800-31
24 Used a loom
25 "My kingdom come"
26 This goes with the grain
29 Betty Ford's kin
33 Inded
34 Hialeah hustler
35 Elide
36 Rhymer scheme
37 Abolitionist
38 British seaside town
39 Kind of club
40 Emerald Isle
41 Compact
42 Abolitionist editor
44 Henry M. Robert's concern
45 Pool shark

© New York Times, edited by Eugene Maleska.



"WHICH WAY IS DOWNTOWN, DAD? THAT'S WHERE I'M GONNA TAKE THIS PITCH!"

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Jumble word game section with words like NIFET, YANNO, DINGHI, and TEXMEP to be unscrambled.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answers: NIFET to FINE, YANNO to NO, DINGHI to HINDI, TEXMEP to METEX.

Yesterday's Jumbles: RODEO GUARD FALTER TORNOUR

Answer: The bachelor thought he'd purchase some UN-LANDED.

WHAT BITTER COLD WEATHER SOMETIMES IS.

Answers: TORNOUR, UN-LANDED.

WEATHER

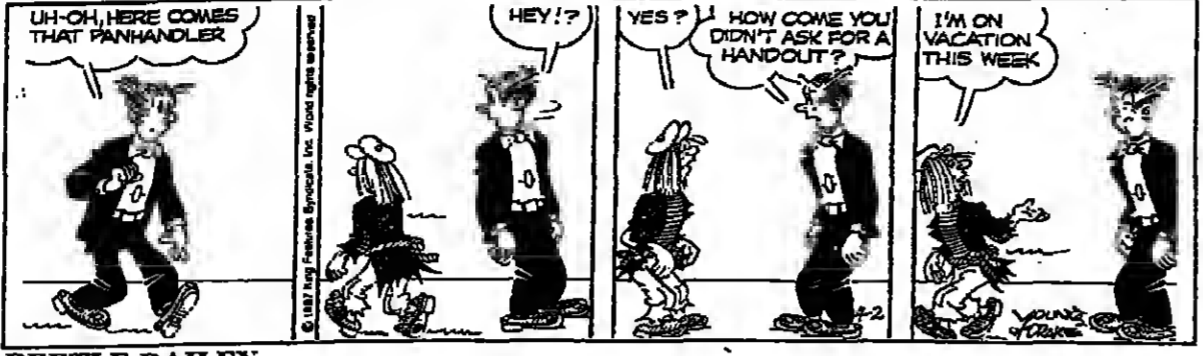
Weather forecast table for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania.

THURSDAY'S FORECAST - CHANNEL: SHINY. FRANKFURT: Cloudy.

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

OUT IN THE MIDDAY SUN: My Kenya

By Elspeth Huxley. Illustrated. 262 pages. \$18.95. Viking Inc., 40 West 23d Street, New York, N. Y. 10010

Reviewed by Michiko Kakutani

EXPATRIATE women writing on Kenya — for some reason, the result has been exemplary literature. Most notably Leah Dimsen's "Out of Africa" and "Shadows on the Grass" and Beryl Markham's "West With the Night." Though Elspeth Huxley, a fiction writer and journalist who grew up in Kenya as the daughter of English pioneer farmers, does not possess Dimsen's fierce visionary style or even Markham's funny-wise way with a story, she, too, has written eloquently about her experiences in Kenya, and her charming memoirs ("The Flame Trees of Thika" and "The Mottled Lizard") have provided readers with a closely observed picture of life in that former British colony.

"Out in the Midday Sun," which more or less takes up where those earlier volumes left off, begins by giving us a portrait of Kenya in the years between the two world wars, then moves on to outline the growing black-white tensions that would lead to the Mau Mau violence of the early 1950s and eventually to the country's independence in 1963. But while politics obviously enters the picture — there is even an extended section here on Jomo Kenyatta's emergence and evolution as a leader — the tone and impetus of the book is nostalgic, not judgmental. Huxley wants to memorialize a time and place, and in weaving together strands of her own reminiscence with historical asides and even bits of folklore, she creates a shimmering picture of a now vanished world.

What is so startling to realize is just how swiftly change and modernity came to Kenya, indeed to that entire continent. As Huxley points out, traditional Kikuyu culture, which had remained unchanged for centuries, came into collision with white mores relatively late. Late fears of poisoned arrows kept trading expeditions and explorers on the margins of Kikuyuland until the early years of this century; and in the late '30s, Huxley was able to interview village elders who "could remember at first hand, not from hearsay, what tribal life was like before white men came along to disturb

and then disrupt it." Less than a century ago, she adds, a visitor could have seen slaves loaded aboard a ship "to be packed in layers, one atop the other. And within the space of a lifetime, frontier conditions would give way to the comforts and moral dilemmas of our technological age.

Certainly as recounted by Huxley, the hardships endured by the settlers of her parents' generation were daunting ones: locusts, killing cold waves, bouts with smallpox, flu and the cold and occasional encounters with tribal warriors with "spear-blooding murders" on their minds. Men and women trekked miles over mountains to reach their destinations, and children were frequently born in ox carts and isolated huts.

In many cases, these were people used to comfortable if not downright luxurious lives, and the contrast between their lives back home and the crudeness of the conditions they found in Kenya could make for some startling incongruities. There is Gilbert Colville, an old Etonian, who became a cattle rancher and a sort of honorary Masai. An expert hunter, he reportedly killed more than 250 lions and traveled widely with a Masai herdman clutching a spear in the front seat of his car. A British officer named John Llewellyn also insisted on traveling in the bush in style — "clean plates for each course, polished glasses, coffee cups"; and his successor, Major H.B. Sharpe, is seen floating downstream "under an awning doing a crossword puzzle while the paddlers kept up a monotonous chant."

"I have sometimes wondered why a privileged background and the habits of a vagabond should have quite often gone together," writes Huxley. "Indifference to what others think is, of course, the badge of the aristocrat. Never of course the Joneses. I make my own rules. Also there was reaction against convention, and there was adoption of a set of priorities in which respectability and tidiness came low on the list. What Dimsen — Karen Blixen, no lover of the British — called 'the fearful living death of English middle-class mediocrity' was, to such people, more to be dreaded than physical death on the horns of buffalo or in the jaws of a lion."

For all its anecdotes about the eccentricities of Kenya's wealthier whites, however, "Out in the Midday Sun" does not focus on the antics of the so-called Happy Valley set. Rather, it makes us appreciate the peculiar mixture of courage, rashness, perseverance, idealism and opportunism that brought such a varied group of people to this beautiful, dangerous land.

Kenya, after all, was a frontier, and like all frontiers, it became a magnet for all manner of adventurers, missionaries, con men and visionaries who dreamed of starting a new life here under the hot equatorial sun. Some, like Elizabeth Cross, who had arrived in Mombasa fresh from nursing service in World War I, sought an opportunity to exercise their newly discovered skills of self-reliance and courage. And some, like Huxley's parents, simply cherished a dream of starting and maintaining a farm.

Whether or not they were able to achieve their dreams, most of these people stayed on (at least through independence); and whatever their initial reasons for coming, they stayed on — as Huxley persuasively demonstrates — because they fell in love with the land.

Michiko Kakutani is on the staff of The New York Times.

Solution to Previous Puzzle. A crossword puzzle grid with the solution words filled in.

© 1987

BRIDGE

By Alan Truscott

FOR historians he is the exotic explorer of the Nile. For the entertainment world he is the late Welsh actor. But for many in the world of tournament bridge the name Richard Burton suggests a young expert from Atlanta who has been a steady winner in recent years.

One of his partners gives him a top rating as a card player, and cites the diamond deal from a recent tournament in Myrtle Beach, South Carolina, as evidence.

The bidding raises a theoretical point: a new suit should be considered forcing when partner has overcalled a pre-emptive opening. So South could be sure that the bidding would

not die in three spades. Notice that the three-club opening was an eccentric effort prompted by the favorable vulnerability.

Burton as South had a number of possible playing plans. He demonstrated that it was possible to make an overcall. After winning the club lead with the ace, he catered his hand with the spade ace and ruffed a club.

He then ran the heart queen successfully and led to the heart ace. Another club was ruffed, and he was surprised not to be overruled. He then led another heart, ruffing East's king with the nine, which bid.

Burton, crushed the spade king and led another trump. East had to win and lead diamonds, bringing dummy's hearts back to life. When you work for 10 tricks you sometimes make 11.

Bridge scores table with columns for North, South, East, West and scores.

North and South were vulnerable.

The bidding:

West led the club king.

World Stock Markets

via Agence France Presse Closing prices in local currencies, April 1.

World Stock Markets table listing various stock indices and prices for different regions like Amsterdam, Madrid, London, Frankfurt, Zurich, Sydney, Tokyo, etc.

SCOREBOARD

Scoreboard table listing various sports scores and statistics, including tennis, basketball, and other sports.

شكراً من الأهل

SPORTS

For Hoosier Seniors, Victory Means the Ring of Truth

By John Feinstein

never had the toughness Knight... That's why I wanted to play for Coach Knight...

Thomas, with considerable help from Garrett and Monday's hero, Keith Smart, found a way. And they got help elsewhere.

And then there's Meier. When he was a high school senior he was a 6-8 kid who could run the floor, shoot and rebound.

By losing some games to Michigan and Michigan State, that made 13 conference losses in 20 games over two seasons. Knight was nearly hysterical.

VANTAGE POINT/Dave Anderson 'Let Bygones' Buy a Book

NEW YORK — During the nightly news conferences at the America's Cup final in Australia some weeks ago, Dennis Conner sat stiffly and smiled stiffly.



Dennis Conner

When the audience laughed, Conner really smiled. "Upstaged by a dog," he said quickly. "That's why I got rid of Liberty."

But Conner quickly reverted to sounding like a politician. Asked if he had a message for the New York Yacht Club, which had held the cup for 132 years until the 1983 defeat, he spoke of how "this was the club that made this trophy what it is."

Modestly titled, "Comeback—My Race for the America's Cup," the book surely will burn whatever gangplank was still open to Conner at the club's sidewalk dock in Manhattan.

at the NYCC now that he has won the cup for the San Diego Yacht Club, it should be remembered that he remains a NYCC member. He's still one of them.

Conner also dabbled in foreign intrigue when New Zealand threatened to help the Kookaburra III syndicate, in defiance of an agreement among the challengers.

"We certainly tried to pressure them to change their mind or at the very least, to stay neutral," he writes. "We even had a very high official in the U.S. government try to influence the Kiwis. Did they want continued good relations with the United States or not? We also had a couple of financial heavy hitters call the Bank of New Zealand and tell them the score."

For financial support of his Sail America syndicate, Conner even approached George Steinbrenner and Donald Trump.

"This was the only right way to end it," said Thomas, hoarse from shouting and crying. "I can't even begin to tell you how happy I am right now. I love everyone on this team, I really do. Everything we've gone through together..."



Steve Eyll, left, and Indiana teammates Daryl Thomas and Rick Caldwell; 51-12 in the last two years and deserving champions.

"No one can understand what it's like to be an Indiana player except the players," Alford said Monday. "Too much is made of a lot from coach? Sure we do. But we learn a lot. He cares about every one of us. I wouldn't change the experience I had the last four years for anything. I wanted in a program and for a coach where I would have a chance to win a national championship."

Since 1919, the National Football League has been opposed by four or five American Football Leagues plus others bearing such titles as All-American, World, and United States. And as recently as this week, there were two new developments in that old obsession.

"We haven't abandoned the idea of a new fall league," Finley said. "It's just not to be involved with the NFL."

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

mum-salary, performance-bonus basis. Each owner would have a seat on the board and an equal voice in league management.

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

On the Way (Maybe): Global Football

By Bob Oates

LOS ANGELES — People have been starting new football leagues, or threatening to, for most of the century.

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

mum-salary, performance-bonus basis. Each owner would have a seat on the board and an equal voice in league management.

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

Among Dixon's other concepts for the league: "Fifty-man rosters paid from a percentage of gross receipts, with players sharing 40 percent to 55 percent of the revenues on a mini-

SCOREBOARD

Table with columns for National Hockey League Leaders, NHL Standings, and Hockey scores.

Tennis Leaders

Table with columns for Tennis Leaders and scores.

Basketball

Table with columns for NBA Standings, NBA Leaders, and Basketball scores.

Youth, Age Bloom in Baseball Camps

ORLANDO, Florida — Springtime is a period of rejuvenation and blossoming. Witness 42-year-old Graig Nettles and 24-year-old Devon White.

Nettles has revitalized his career with a seasonal spring training performance, which he capped Tuesday with a home run and two doubles in leading Atlanta to a 12-7 exhibition baseball victory over Minnesota.

White, a rookie outfielder, has done almost as well. He had three home runs and a 4.11 batting average in 26 exhibition games and will open the season in right field for the Angels.

Transition

BOSTON — Announced that Buddy LaRosa said his general manager intention to follow owners Howard Stern and Joan R. Youker.

Exhibition Baseball

NATIONAL BASEBALL ASSOCIATION WASHINGTON — Activated Don Roundtree, for words from the injured list. Picked Frank Johnson, guard, on the injured list.

SPORTS BRIEFS

NHL North Stars Fire Coach Henning

BLOOMINGTON, Minnesota (AP) — The Minnesota North Stars fired Coach Lorne Henning late Tuesday and replaced him on an interim basis with Glen Sonmor, director of player personnel and a former coach of the National Hockey League team.



Lorne Henning

Fiesta Bowl's Is Record for Net Payout

PHOENIX, Arizona (AP) — The Fiesta Bowl game between Penn State and Miami for college football's 1986 national championship set records for net payouts to the two teams and for economic impact and television viewership by households, bowl officials announced Tuesday.

The game last Jan. 2 at Sun Devil Stadium in nearby Tempe saw Penn State beat Miami 14-10; each school received \$2.4 million — a bowl record for net payments, said John Junker, a Fiesta Bowl official. The game also set a record in terms of economic impact for Arizona with an estimated total of \$75 million. Junker said.

Quotable

Lawyer Sam Reich on representing baseball players in salary arbitration: "It's a lawyer's dream. You compress a weeklong trial that might have several thousand dollars at stake into three hours during which there are hundreds of thousands of dollars on the table." (AP)

Met pitcher David Cone

Met pitcher David Cone... (AP) I don't even have a college education.

owns an insurance agency in Man- learn to be a citizen.

ART BUCHWALD

The Cost of a Phone Call

WASHINGTON — My favorite AT&T advertisement shows a gray-haired man and woman...

"Harry, what on earth are you doing calling your childhood sweetheart after being married for 47 years?"



Buchwald

I came into the Dalinsky house and Marian was throwing ketchup up bottles at Harry...

"Why didn't you marry Mathilda if she was such a good childhood sweetheart?" Marian shouted at Harry.

"What's up?" I asked. Marian said, "He just called his childhood sweetheart in London."

"Hold it," I said as Marian was about to speak Harry with a floor lamp. "I want to know what Mathilda said when you got her on the phone."

Christie's Profits

LONDON — Christie's, the auction house, has announced that its pre-tax profits rose to £18.25 million (\$29.2 million) in 1986 from £12.25 million in 1985.

"I'm not sure because at that moment Marian took the palm tree out of the planter and shoved it down my pants."

Nicaragua: Poetry, Power and Freedom

By Francisco Goldman

MANAGUA — Sergio Ramirez Mercado, the vice president of Nicaragua, has written a new book. It is his first literary work since the revolution...

In a 1984 essay published in a Mexican magazine, Cuadra wrote of the "Stalinization" of the Nicaraguan arts under Sandinista rule.



The novelist Sergio Ramirez Mercado, left, Nicaragua's vice president, with President Daniel Ortega Saavedra.

superstition and nationalist poet, but says that Cuadra, prior to 1979, had "a romantic notion" of the Sandinista front and of the revolution.

"The Sandinista revolution had the whole world on its side," says Cuadra. "We had a chance to mark out a true 'Nicaraguanness'."

For the last year Ramirez has been working on a novel, one that he says, smiling, "has nothing to do with politics."

PEOPLE

Dad Says Boris Becker Will Do Military Duty

Boris Becker may be in a West German military uniform instead of tennis togs before long, Becker, 19, does not have to go into the army because he has a legal residence in Monaco...

The marital dispute between the "Dynasty"

star John Collins and his estranged husband, Peter Holm, appears to be headed back to court, with Holm backing away from a tentative agreement reached last week.

Ronald and Nancy Reagan

joined by a celebrity-studded guest list, honored visiting Prime Minister James Callaghan of France at a dinner Tuesday in the White House.

Prince Edward, son of Queen Elizabeth II

showed up in disguise at a radio studio to help a disc jockey play an April Fool's joke. Mike Smith had invited the prince to his "Breakfast Show" on Radio 1.

Investment Manager

in Geneva for a large international investment group. Experience required. Management of investment portfolio, with an understanding of all major international markets.

ANNOUNCEMENTS

WINE, STEVEN SPURRIER opens his first cash and carry wine warehouse in the West End. Special launching Sat. 2-5 p.m. April 10th...

MOVING ALLIED WORLDWIDE MOVING (11) 43 43 23 DESBORDES 92 21 35 77

INTERNATIONAL CLASSIFIED

REAL ESTATE FOR SALE FRENCH PROVINCES CORE D'AZUR, in the hills of Nice, panoramic view, villa "Suzanne"...

REAL ESTATE FOR SALE MONACO "Principe de Monaco" "MONTY CARLO SUN" Magnificent 5-room apartment...

REAL ESTATE TO RENT/SHARE HOLLAND DUTCH HOUSING CENTRE B.V. Deluxe 4 room, 2 bath, 174 Amsterdam...

REAL ESTATE TO RENT/SHARE PARIS AREA FURNISHED 81 AVE FOCH LUXURIOUS STUDIOS Phone, color TV, kitchen...

REAL ESTATE TO RENT/SHARE PARIS AREA FURNISHED 6TH, Rue des Capucines, 100 sqm, 4 bedrooms, 2 bathrooms...

EMPLOYMENT EXECUTIVES AVAILABLE SWISS INTERNATIONAL SALES/ MARKETING EXECUTIVE

MAKE A FORTUNE 124th AUSTRIAN NATIONAL LOTTERY Only 100,000 tickets participate in weekly drawings starting May 11th until October 8th 1987

Switzerland For Foreigners Lake Geneva, Grand Valley, Verbier, Valais, large areas...

Switzerland For Foreigners Lake Geneva, Grand Valley, Verbier, Valais, large areas...

Embassy Service 8 Ave. de Messine YOUR REAL ESTATE AGENT IN PARIS 45.62.78.99

AT HOME IN PARIS APARTMENTS FOR RENT OR SALE PARIS PRIMO

LEGAL COUNSEL INTERNATIONAL TRADE American, top academic, creditably high experienced in corporate and contract law...

EXECUTIVES AVAILABLE GENERAL MANAGER, well experienced in business administration, multi-national, business school, Paris based...

International Business Message Center

MAGIC MASCOT Our present to you: MAGIC MASCOT free of charge As soon as we receive your order, we will send you tickets, the drawing schedule and the lottery rules...

ATTENTION EXECUTIVES Publish your business message in the International Herald Tribune, where more than a third of a million readers will read it...

BUSINESS OPPORTUNITIES THE LATIN AMERICAN TRADER Work professional connections in the Latin American countries/trading in raw cotton, wool, rubber, iron, general cargo & tropical goods...

GENEVA Full Service is our Business International law and taxes, Malpractice, telephone, telex and electronic services...

OFFSHORE COMPANIES Free professional connections Worldwide incorporation, Immediate availability, Full confidential services...

OFFSHORE COMPANIES FORMED AND ADMINISTERED IN CONFIDENCE, of major countries, accounting, fiduciary services, trading contracts, tax, legal and financial services...

FOCH BUILDING INTERNATIONAL PRESTIGIOUS-EXCLUSIVE YOUR OFFICE IN PARIS Full range of first class services, Half day to one year rental...